

**CITY OF SLIDELL, LOUISIANA****COMPREHENSIVE ANNUAL  
FINANCIAL REPORT****For the Year Ended June 30, 2008**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/28/09

Submitted by:

Department of Finance

SHARON HOWES, CPA  
Director

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# *The City of Slidell*

## FINANCE DEPARTMENT

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**BEN O. MORRIS**

*Mayor*

**SHARON HOWES, CPA**

*Director of Finance*

December 2, 2008

To the Honorable Mayor Ben Morris, Members of the Slidell City Council and  
Citizens of the City of Slidell:

State law requires that all governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that deadline, we hereby issue the comprehensive annual financial report of the City for the fiscal year ended June 30, 2008.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility of the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Rebowe & Company, CPAs, APC a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on

the audited government's internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit Section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

Slidell, the largest municipality in St. Tammany Parish, was founded in 1888. The City's system of government is established by its Home Rule Charter, which was adopted in 1978. The Louisiana Constitution prohibits the state legislature from enacting any law affecting the structure, organization, or distribution of the power and functions of any local subdivision that operates under a Home Rule Charter.

The City has a Mayor-Council form of government. The governing council is responsible, among other things, for passing ordinances and adopting the budget. The Mayor is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members and the Mayor serve four-year terms and are limited to two consecutive terms. Seven of the council members are elected by district. The mayor and the two remaining council members are elected at large.

The City provides a full range of services including police protection; water and sewer services; airport facilities; the construction and maintenance of highways, streets, drainage and infrastructure; recreational activities and cultural events. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. No component units are included in the reporting entity. A more detailed discussion of reporting entity is included in Note A1 in the notes to the financial statements.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the Mayor on or before mid January each year. The Mayor uses these requests as the starting point for developing a proposed budget. The Mayor then presents this proposed budget to the council for review by April 1. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 1. Operating budgets are prepared by fund and by department. Department heads may make transfers of appropriations within a department. The transfer of appropriations between departments requires the approval of the governing council. The Mayor also recommends to the City

Council a capital improvement program for the next five years and a capital budget by project for the first year of the program. The City Council is obligated to approve a capital budget program and adopts the capital budget concurrently with the annual operating budget. Transfers between capital project line items require approval by the City Council. *Unexpended capital appropriations carry over for a total of three years or until re-appropriated.*

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and sales tax fund, this comparison is presented on pages 49 - 52 as part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund and sales tax fund, with an appropriated annual budget, this comparison is presented in the governmental fund subsection of this report, which is presented on pages 57 - 59.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

**Hurricane Katrina.** On August 29, 2005, Hurricane Katrina caused catastrophic water and wind damage to Slidell. Approximately 51% of the city's land mass was inundated with up to 4 to 5 feet of storm surge causing flooding to approximately 5,600 residences and 700 businesses. After a slow start, approximately 97% of residential and commercial rebuilding is now complete. The City suffered extensive damage to its administrative buildings, equipment and infrastructure. Ten structures including city hall, the council chambers and the building that housed our jail and police administration were ruined by Katrina floodwaters. The jail and the police administrative buildings have been repaired or rebuilt. As of the date of this report, other city offices housing 76 city employees remain in trailers. Construction on the first of two buildings to house most of these displaced employees is expected to begin in January. The second building is under design. Substantially all vehicles and machinery lost in the storm were replaced with local and FEMA funding in 2006. Work to clean out our drainage and sanitary systems is now complete. The demolition of blighted and abandoned properties is 95% complete. The removal of damaged and dangerous trees from public property and the repairs to major pump stations were completed in 2008. Work to repair the damages to our street system infrastructure started in 2008 and is expected to be completed in 2009. As expected, the impact of Hurricane Katrina continues to affect the City's economy as well as the 2008 financial statements.

**Local economy.** Slidell (population: approximately 29,000) is located in the southeastern portion of St. Tammany Parish, about 20 miles north of New Orleans. The City is primarily a residential area that continues to benefit from commercial growth. Prior to Katrina the five year averaged property tax growth rate was 7% per year. In 2006 the City's taxable assessed value decreased by \$20 million from \$171.5 million to \$151.4 million (11.7%) due to reassessment of storm damaged property. Due to rebuilding and

recovery efforts, the 2007 and 2008 tax rolls reflected growth of 1% and 6%, respectively. The preliminary assessed value for 2009 is \$191.4 million – an increase of 18.2% from prior year and 11.6% higher than pre-Katrina values. This increase is a result of the reassessment of all property that occurs every four years pursuant to state law. Slidell's tax base is somewhat concentrated, with the 10 leading taxpayers representing about 17% of assessed value. The leading employers and taxpayers are in the health care, utility, financial and retail sectors.

Slidell, a suburb of New Orleans, is uniquely located at the intersection of 3 interstates – Interstate 10, 12 and 59. Slidell serves as a retail center for the unincorporated areas of southeastern St. Tammany Parish. As a result of its location, per capita retail sales in the City are well above the national level. Slidell's unemployment rate is below state and national levels, and stood at 3.3% through June 2008.

For over a decade, St. Tammany Parish has remained the fastest growing parish in the state as New Orleanians continue to move north of Lake Pontchartrain. The 2000 Census data revealed that St. Tammany Parish grew at the fastest rate in the state a 32% increase for 1990. St. Tammany Parish experienced strong residential growth over the past three years when displaced victims of Hurricane Katrina from surrounding parishes and the Mississippi Gulf Coast relocated to sections of St. Tammany Parish that did not experience flooding.

**Long-term financial planning.** The financial plan to rebuild or renovate the City's public buildings ruined by Hurricane Katrina involves a combination of FEMA public assistance grants, other grants, city cash flow and long-term debt. The specific amount of long-term financing is expected to be determined soon and will be incorporated into the fiscal 2010 budget.

The City completed phase one of a master plan to guide its future development over the next 20 years in 2005 and phase two of the master plan is expected to be completed in 2009. The goals and objectives established in the 2001 Priorities Convention were used as a basis to formulate the master plan. When the plan is completed four elements will be addressed – land use, transportation, beautification and infrastructure.

In October 2007, the Louisiana bond commission approved \$250 million in tax-exempt bonds for Slidell Development Co. LLC to move forward with a \$900 million, 400-acre multi-use development situated near a new interchange off Interstate-10 in Slidell. The project includes 1,500 multi-family residential units, 1.1 million square feet of retail space and 1 million square feet of office space. The project, which is expected to be built in two phases, will set aside 50,000 square feet for a medical center or hospital and 350,000 square feet for the University of New Orleans Slidell Campus. The site has been cleared and construction of the roadways and utilities is scheduled to begin in 2009.

**Cash management policies and practices.** The Finance Department strives to keep abreast of current trends and procedures for cash management and forecasting so as to ensure the most efficient and profitable use of the City's cash resources. While efforts are

made to maximize the return on the City's investment dollar, our primary goal is to ensure the return of principal.

Cash temporarily idle during the year was invested in demand deposits, time deposits and U.S. government or government agency securities. Interest earned on cash designated for specific purposes is allocated directly to that purpose. Interest revenue earned on investments by the City for all funds during fiscal 2008 totaled \$898,000 compared to \$874,000 earned during the previous year.

**Risk management.** The City funded a risk management division with two employees in 1996. This division develops safety programs, investigates small claims and employee accidents, and coordinates employee health benefits.

The City is currently enrolled in partial self-insurance programs for liability, medical, dental and workers' compensation claims. Third party coverage is maintained on all insurances, which becomes effective after specific and/or aggregate retentions are met. At the close of the current year, the General Fund has designated fund balance totaling \$478,000 to meet these potential losses. General Fund balance reserved for insurance totaled \$275,000. This relates directly to investments required by Louisiana Statutes for entities with self-funded workers' compensation plans. Additional information on the City's risk management activity can be found in Note K of the notes to the financial statements.

**Retirement benefits and other post-employment benefits.** Information on the City's retirement benefits can be found in Note C of the notes to the financial statements and information on the City's post-employment benefits can be found in Note L of the notes to the financial statements.

## **Awards and Acknowledgments**


The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Slidell for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2007. This is the twenty third consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the current (CAFR) continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Council for

their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "S. Howes", written over a horizontal line.

Sharon Howes, CPA  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Slidell  
Louisiana

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Oliver S. Cox*

President

*Jeffrey R. Emer*

Executive Director

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**CITY OF SLIDELL  
PRINCIPAL ELECTED OFFICIALS  
JUNE 30, 2008**

**CITY ADMINISTRATION**

Ben O. Morris - Mayor

Fredrick Drennan - Chief of Police

**COUNCIL MEMBERS**

L. Landon Cusimano - Councilman-at-Large

Vacant - Councilman-at-Large

Lionel Hicks - District A

Richard S. Hursey, Jr. - District B

Warren Crockett - District C

Joe Fraught - District D

Raymond H. Canada - District E

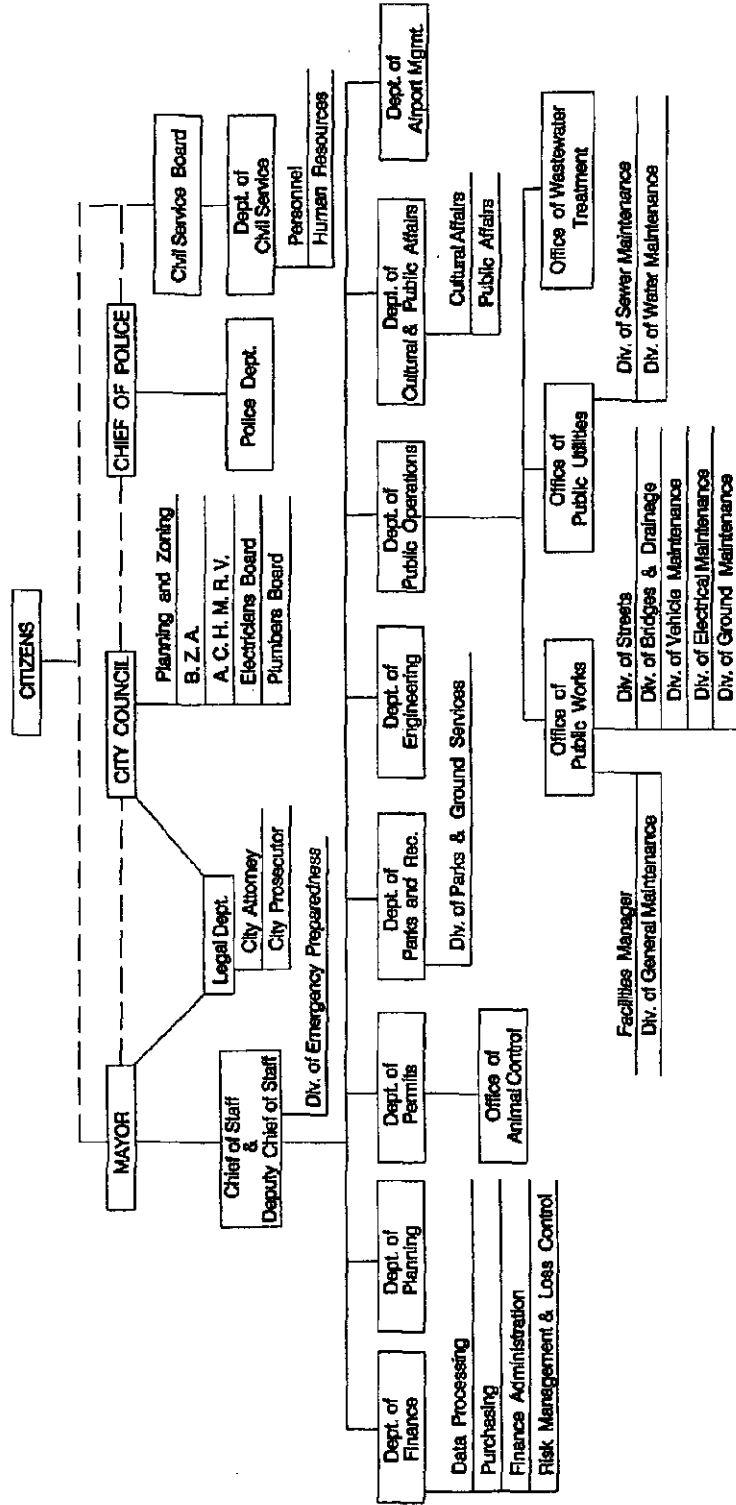
Kim Baronet Harbison - District F

Bill Borchert - District G

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# ORGANIZATIONAL PLAN for the GOVERNMENT of the CITY of SLIDELL

2008



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# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

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Phone (504) 837-9116 • Fax (504) 837-0123 • E-mail rebowe@rebowe.com

## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members of the City Council  
**City of Slidell, Louisiana**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Slidell, Louisiana (the "City"), as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2008 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparisons on pages 3 through 12 and 51 through 55 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements, schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the City. The combining and individual nonmajor fund statements, schedules and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Rebowe & Company*

October 24, 2008

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the City of Slidell's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2008. Please read it in conjunction with the transmittal letter on page IV and the City's financial statements, which begin on page 13.

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 13 and 14) provide information about the activities of the City as a whole and present a long-term view of the City's finances.

Fund financial statements start on page 15. For governmental activities, these statements report how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as an agent for the benefit of those outside of the government.

### **The Statement of Net Assets and the Statement of Activities**

Our analysis of the City as a whole begins on page 5. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's financial activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. As such, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes in them. You can think of the City's net assets—the difference between assets and liabilities—as one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall financial health of the City.

In the Statement of Net Assets and the Statement of Activities, we divide the City into two kinds of activities:

- **Governmental activities**—Most of the City’s basic services are reported here, including the police, public works, and parks departments, and general administration. Sales and use taxes, property taxes, franchise fees, and state and federal grants finance most of these activities.
- **Business-type activities**—The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City’s water and sewer system and airport are reported here.

## **Fund Financial Statements**

Our analysis of the City’s major funds begins on page 8. The fund financial statements begin on page 15 and provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City establishes other funds to help it control and manage money for particular purposes or to account for it to meet legal responsibilities for using certain taxes, grants, and other money. The City’s two kinds of funds—governmental and proprietary—use different accounting approaches.

- **Governmental funds**—Most of the City’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.
- **Proprietary funds**—When the City charges customers for the services it provides these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City’s enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information such as cash flows, for proprietary funds.

## **Reporting the City’s Fiduciary Responsibilities**

The City also holds certain assets in a fiduciary capacity for individuals, organizations and others. All of the City’s fiduciary activities are reported in separate Statements of Fiduciary Net Assets on page 23. We exclude these assets from the City’s other financial statements because the City cannot use these assets to finance its operations. The City is

responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 25 of this report.

## Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary basis reporting for the General Fund and the Sales Tax Fund. Required supplementary information can be found on pages 51 to 55 of this report.

The combining statements of non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 57 to 63 of this report.

## Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$116.7 million at the close of fiscal year 2008 as compared to \$101.2 million at the close of fiscal year 2007.

**Table 1**  
**Net Assets**  
**(In Thousands)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Current and other assets	\$ 29,372	\$ 23,398	\$ 8,266	\$ 5,697	\$ 37,638	\$ 29,095
Capital assets	<u>66,989</u>	<u>60,960</u>	<u>47,876</u>	<u>48,734</u>	<u>114,865</u>	<u>109,694</u>
Total assets	<u>96,361</u>	<u>84,358</u>	<u>56,142</u>	<u>54,431</u>	<u>152,503</u>	<u>138,789</u>
Long-term debt outstanding	21,448	24,233	9,340	7861	30,788	32,094
Other liabilities	<u>4,715</u>	<u>4,818</u>	<u>331</u>	<u>667</u>	<u>5,046</u>	<u>5,485</u>
Total liabilities	<u>26,163</u>	<u>29,051</u>	<u>9,671</u>	<u>8,528</u>	<u>35,834</u>	<u>37,579</u>
Net assets						
Invested in capital assets, net of related debt	50,303	42,038	42,828	41,218	93,131	83,256
Restricted	2,545	4,253	3,155	1,094	5,700	5,347
Unrestricted	<u>17,350</u>	<u>9,016</u>	<u>488</u>	<u>3,591</u>	<u>17,838</u>	<u>12,607</u>
Total net assets	<u>\$ 70,198</u>	<u>\$ 55,307</u>	<u>\$ 46,471</u>	<u>\$ 45,903</u>	<u>\$ 116,669</u>	<u>\$ 101,210</u>

**Table 2**  
**Changes in Net Assets**  
(In Thousands)

	Governmental Activities		Business-type Activities		Total Government	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 5,830	\$ 3,392	\$ 8,240	\$ 7,853	\$ 14,070	\$ 11,245
Operating grants and contributions	3,671	2,348	-	-	3,671	2,348
Capital grants and contributions	11,305	3,707	638	1,729	11,943	5,436
General revenues						
Sales tax	21,130	22,610	-	-	21,130	22,610
Property tax	3,392	3,227	1,446	1,426	4,838	4,653
Other tax	2,107	1,915	-	-	2,107	1,915
Other general revenue	<u>917</u>	<u>1,110</u>	<u>86</u>	<u>171</u>	<u>1,003</u>	<u>1,281</u>
Total revenues	<u>48,352</u>	<u>38,309</u>	<u>10,410</u>	<u>11,179</u>	<u>58,762</u>	<u>49,488</u>
<b>Program expenses</b>						
General government	9,077	8,078	-	-	9,077	8,078
Public works	11,367	13,893	-	-	11,367	13,893
Public safety	10,076	9,836	-	-	10,076	9,836
Parks and recreation	2,116	1,996	-	-	2,116	1,996
Judicial system	353	332	-	-	353	332
Interest on long term debt	819	921	-	-	819	921
Utilities	-	-	8,915	8,932	8,915	8,932
Airport	<u>-</u>	<u>-</u>	<u>581</u>	<u>517</u>	<u>581</u>	<u>517</u>
Total expenses	<u>33,808</u>	<u>35,056</u>	<u>9,496</u>	<u>9,449</u>	<u>43,304</u>	<u>44,505</u>
Excess before transfers	14,544	3,253	914	1,730	15,458	4,983
Transfers	<u>347</u>	<u>1,498</u>	<u>(347)</u>	<u>(1,498)</u>	<u>-</u>	<u>-</u>
Increase in net assets	<u>\$14,891</u>	<u>\$4,751</u>	<u>\$ 567</u>	<u>\$ 232</u>	<u>\$15,458</u>	<u>\$4,983</u>

By far the largest portion of the City's net assets (80 percent) reflects its investment in capital assets (e.g. infrastructure, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Slidell uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Slidell's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Slidell's net assets (5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (15 percent) may be used to meet the government's general ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Slidell is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The City's net assets increased \$15,458,969 during the current fiscal year.

### **Governmental Activities**

Governmental activities increased the City's net assets by \$14,891,000 thereby accounting for 96% of the total growth in net assets of the City of Slidell.

Total revenue increased by \$10 million or 26%. Key elements of the increase are as follows:

- Revenue from capital grants and contributions increased \$7,598,000 or 205% primarily due to FEMA grants for post-Katrina rebuilding and a donation of land for future economic development valued at \$5,552,000.
- Charges for services increased by \$2,438,000. Lease revenue from the City owned DISA building increased \$1,999,000 from 2007 to 2008. The City's primary lessee occupied the building for 12 months in 2008 and the space was vacant for eleven months in 2007. Charges for police services increased \$272,000 due to the expansion of the school resource officer program in public schools which is paid for by the school board and related to special detail charges.
- Operating grant revenue increased by \$1,323,000 primarily due to FEMA grants for post-Katrina recovery.
- Sales tax revenue decreased \$1,480,000 or 7% primarily due to an expected reduction in consumer spending for post-Katrina rebuilding and recovery in 2008 as compared to 2007.

Total expenses decreased by \$1,248,000 or 4% due to reduced costs for Hurricane Katrina response and recovery in 2008 as compared to 2007.

Net operating transfers to governmental activities decreased \$1,151,000. An operating transfer of \$1,098,000 to the Katrina fund from the utility fund for utility related recovery efforts in 2007 was not recurring in 2008.

### **Business-type Activities**

Business type activities increased the City of Slidell's net assets by \$537,000, thereby accounting for 4% of the total growth in net assets of the City of Slidell. Key elements of the increase are as follows:

- Charges for services increased by \$387,000 or 5% primarily due to the annual adjustment of utility rates for the increase in the consumer price index.

- Capital grant and contributions revenue decreased \$1,091,000 primarily due to a decrease in developer contributions in 2008 as compared to 2007.
- Net operating transfers to governmental activities decreased \$1,151,000. An operating transfer of \$1,098,000 to the Katrina fund from the utility fund for utility related recovery efforts in 2007 was not recurring in 2008.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$22,794,000, an increase of \$7,395,000 in comparison with the prior year.

Approximately 78% of this total amount (\$17,779,000) constitutes unreserved fund balance, which is available for spending at the City's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because 1) it has already been committed to pay debt service and honor bond covenants (\$3,313,000), 2) it is legally restricted by other outside parties (\$365,000) or 3) it is not available for appropriation (\$1,337,000).

The fund balance of the general fund increased \$393,000 in the current year and decreased \$132,000 in the prior year. Key elements in these changes are as follows:

- Total revenue in the general fund increased by \$734,000 or 10%. Intergovernmental revenue increased \$310,000 primarily due to the expansion of the school resource officer program and an increase in revenue from state supplemental pay for police officers. Fines and forfeitures increased by \$242,000 due to more aggressive pursuit of bond forfeitures. Franchise fees increased \$175,000 primarily due to the increase in price of fuel which is passed on to utility customers.
- Expenditures in the general fund increased \$637,000 or 5%. Public safety expenditures increased \$529,000 in 2008 primarily due to implementation of pay plan changes in the police department which were designed to enhance retention of police officers.
- In lieu of an administrative cost allocation, the sales tax fund and the utility fund usually transfer a portion of their revenue to the general fund each year. The operating transfer from the sales tax fund increased by \$468,000 in 2008 and the operating transfer from the utility fund decreased by \$40,000 in 2008.

The fund balance in the sales tax fund increased \$858,000 in the current year and decreased \$1,022,000 in the prior year. Key elements in these changes are as follows:

- Total revenues in the sales tax fund decreased \$1,577,000 from the prior year. Revenue from sales tax decreased \$1,480,000 or 7% as spending on post-Katrina rebuilding and replacement of storm damaged personal property slowed down in 2008 as compared to the previous year.
- Expenditures in the sales tax fund decreased \$942,000 or 6% from 2007 to 2008. Capital expenditures decreased \$1,335,000. Fluctuations in capital expenditures from one year to the next are common. Capital appropriations are for a minimum three year period because capital projects often require time for design and engineering before more cost intensive construction occurs. Operating expenditures increased \$393,000 or 4%. Expenditures for general government increased \$199,000 primarily due to increases in retiree medical and utilities. Public safety expenditures increased \$97,000 primarily due to correction overtime and implementation of pay plan changes in the corrections division of the police department which were designed to enhance retention of correction officers.
- Operating transfer from the sales tax fund to other funds decreased \$2,515,000 in 2008 from the prior year. In 2007 \$2,226,000 was transferred to the Katrina fund to finance the estimated cost of hurricane response and recovery that would not be reimbursed through FEMA or insurance. A similar transfer was not required in 2008.

After Hurricane Katrina struck on August 29, 2005, the City created the Katrina fund to account for FEMA reimbursements, insurance proceeds and the related costs associated with the storm. For fiscal years ending 2006 and 2007, the fund had deficits of \$7,918,253 and \$2,449,000 primarily due to delays in receiving reimbursement from the FEMA public assistance grant program. In 2008 fund balance increased \$4,868,000 to a positive fund balance of \$2,419,000. In 2008 public assistance grant revenue from FEMA totaled \$8,461,000 and expenditures totaled \$3,594,059.

### **General Fund Budgetary Highlights**

The City Council revised the 2008 original adopted budget two times. The first budget amendment added \$1,671,000 from available fund balance at June 30, 2007, increased revenue estimates by \$10,000, added \$115,000 to the operating budget (primarily for grass cutting of neglected property) and reduced the operating transfer from the sales tax fund by \$1,566,000. The second budget amendment increased revenue estimate for service fees by \$85,000 and added \$275,000 to various operating budgets.

By budgetary policy, revenue estimates are prepared with a conservative bias. Overall, general fund revenue in 2008 experienced a positive variance of \$1,710,000 from the amount in the final adopted budget. Revenue from licenses/permits, fines/forfeitures, franchise fees, and other revenue showed positive variances of \$280,000, \$303,000, \$376,000 and \$507,000. The positive variance in license/permit and other revenue is primarily related to recovery in the aftermath of Katrina. Revenue from fines and

forfeitures increased due to more aggressive pursuit of bond forfeitures. Franchise fee revenue increased primarily due to increased fuel costs which are passed on to utility customers.

The final budget for expenditures increased \$390,000 (3%) from the original budget for 2007. Additional funding was allocated to various operating budgets primarily for grass cutting as discussed above, retiree medical, claims and for the payout of vacation and sick leave benefits to employees who retired or terminated in fiscal 2008. Actual expenditures were \$57,000 (.5%) more than the original adopted budget and \$334,000 (3%) less than the final adopted budget.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2008, the City had \$114.9 million invested in a broad range of capital assets, including police and public works equipment, buildings, park facilities, roads, drainage, bridges, airport facilities, wastewater treatment plant, water lines, and sewer lines (See Table 3). This amount represents a net increase (including additions and deductions) of \$5.2 million (5%) from last year.

**Table 3**  
**Capital Assets at Year-end**  
(Net of Depreciation, In Thousands)

	Governmental Activities		Business-type Activities		Total Government	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land	\$15,818	\$10,266	\$ 76	\$ 76	\$ 15,894	\$ 10,342
Building and building improvements	13,748	13,916	1,295	407	15,043	14,323
Land improvements	2,494	2,982	4,880	5,215	7,374	8,197
Machinery and equipment	5,169	5,847	1,310	1,284	6,479	7,131
Infrastructure	27,856	26,394	40,094	40,485	67,950	66,879
Construction in progress	<u>1,904</u>	<u>1,555</u>	<u>221</u>	<u>1,266</u>	<u>2,125</u>	<u>2,821</u>
Total capital assets, net	<u>\$66,989</u>	<u>\$60,960</u>	<u>\$47,876</u>	<u>\$48,733</u>	<u>\$114,865</u>	<u>\$109,693</u>

Additions for 2008 totaled \$13,378,000. Additions include a donation of land for future economic development valued at \$5,552,000, \$1,023,000 for street improvements, and \$2,399,000 for various drainage improvements.

More detailed information about the City's capital assets is presented in Note H to the financial statements.

### Debt

At year-end, the City had \$27.7 million in bonds, notes and capital leases outstanding versus \$28.9 million last year, a decrease of 4 percent, as shown in Table 4.

**Table 4**  
**Outstanding Debt, at Year-end**  
(In Thousands)

	Governmental Activities		Business-type Activities		Total Government	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
General obligation bonds (backed by property tax)	\$ 5,720	\$ 6,820	\$ -	\$ -	\$ 5,720	\$ 6,820
Revenue bonds and notes (backed by specific tax and fee revenue)	6,650	7,885	7,020	7,515	13,670	15,400
Other notes (backed by a pledge of all lawfully available funds)	5,425	5,689	1,971	-	7,396	5,689
Capital lease obligations	<u>890</u>	<u>1,018</u>	<u>-</u>	<u>-</u>	<u>890</u>	<u>1,018</u>
	<u>\$18,685</u>	<u>\$21,412</u>	<u>\$8,991</u>	<u>\$7,515</u>	<u>\$27,676</u>	<u>\$28,927</u>

During 2008, the City issued certificates of indebtedness totaling \$1,971,000 to implement an automated meter reading system for utility billing. Principal reductions in 2008 were \$2,727,000 and \$495,000 in the governmental and business-type funds, respectively.

After a temporary downgrade following Hurricane Katrina, the City's general obligation bonds were restored to a pre-Katrina "A-" rating in July 2006 by FitchRating a national rating agency. In August 2006, Moody's Investor Services also affirmed A2 underlying ratings for both general obligation debt and sales tax revenue debt and revised the outlook to stable from negative. The State limits the amount of general obligation debt that cities can issue to 35% percent of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt (\$5.7 million) is significantly below this \$51.0 million state-imposed limit.

The City is self-insured with excess coverage for workers' compensation, general liability, auto liability, and employee medical. Claims and judgments of \$1,402,000 are outstanding at year-end compared with \$1,561,000 last year. Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in Notes H and K to the financial statements.

#### **POST-EMPLOYMENT BENEFIT COSTS AND LIABILITY**

In June 2004, the Governmental Accounting Standards Board ("GASB") issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB No. 45 requires employer governments to account for and report the annual cost of other post-employment benefits in the same manner as they do for pensions. This accounting standard is effective for the

City's financial statements for the year ended June 30, 2009. The City is currently considering various options relating to its offering of post-employment benefits to its retirees, including the actuarial costs and liabilities involved. As a result, the City is unable at the present time to state what the related costs and liability will be.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

### **Original Adopted Budget 2009**

The City's elected and appointed officials considered many factors when setting the original fiscal year 2009 budget. Sales tax revenue provides approximately 50% of the City's annual recurring revenue in the original adopted budget. As expected, in fiscal 2007 and 2008 as residents exhausted their insurance checks and completed repairs of their homes and businesses, a pattern of decreasing sales tax revenue emerged. Sales tax revenue for the original 2009 budget was estimated at \$21,340,000 – one per cent higher than 2008 revenue. Due to store closings for Hurricane Gustav and the economic downturn, sales tax revenue for the first three months of 2009 is 10% less than the first three months of 2008. To address the revenue shortfall, the administration will recommend utilizing the available fund balance from 2008 coupled with various cost reduction measures. Assessed property value in 2008 is 5% less than pre-Katrina 2005 property values due to reassessment of storm damaged property. In accordance with state law all property will be subject to reassessment for the fiscal year 2009 tax rolls. The assessed property value in 2009 is expected to increase significantly as repaired homes and businesses return to the tax rolls. An increase in property tax revenue was not factored into the 2009 budget because of state mandated millage roll back provisions. Collections from various utility fees and charges were projected to grow in accordance with the annual rate adjustment based on the increase in the consumer price index. All other revenue projections were budgeted with a conservative bias.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

The financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director's Office at 1330 Bayou Lane, Slidell, Louisiana or by phone at (985) 646-4316.

## **BASIC FINANCIAL STATEMENTS**

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**CITY OF SLIDELL, LOUISIANA**  
**STATEMENT OF NET ASSETS**  
**June 30, 2008**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash and cash equivalents	\$ 22,313,597	\$ 5,000	\$ 22,318,597
Investments	1,221,627	-	1,221,627
Receivables, net of allowances for uncollectibles:			
Taxes	2,596,192	-	2,596,192
Water, sewerage and garbage	-	812,375	812,375
Unbilled receivables	-	332,053	332,053
Other	179,237	270	179,507
Internal balances	(3,627,887)	3,627,887	-
Inventory	149,883	114,502	264,385
Prepaid Items	1,188,442	1,248	1,189,690
Due from other governments	2,522,287	87,575	2,609,862
Deferred charge - issuance cost	283,490	129,776	413,266
Restricted assets:			
Cash and cash equivalents	1,217,378	2,295,349	3,512,727
Investments	1,327,341	859,441	2,186,782
Capital assets not being depreciated	17,722,539	296,305	18,018,844
Capital assets being depreciated, net of accumulated depreciation	49,266,721	47,580,226	96,846,947
<b>TOTAL ASSETS</b>	<b>96,360,847</b>	<b>56,142,007</b>	<b>152,502,854</b>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	4,660,897	331,183	4,992,080
Due to local entities	54,315	-	54,315
Noncurrent liabilities:			
Due within one year	4,099,808	759,000	4,858,808
Due in more than one year	17,347,936	8,581,000	25,928,936
<b>TOTAL LIABILITIES</b>	<b>26,162,956</b>	<b>9,671,183</b>	<b>35,834,139</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	50,303,228	42,827,531	93,130,759
Restricted for:			
Capital projects	-	1,995,023	1,995,023
Debt service	2,045,030	1,159,767	3,204,797
Other purposes	499,689	-	499,689
Unrestricted	17,349,944	488,503	17,838,447
<b>TOTAL NET ASSETS</b>	<b>\$ 70,197,891</b>	<b>\$ 46,470,824</b>	<b>\$ 116,668,715</b>

The accompanying notes are an integral part of this statement.

**CITY OF SLIDELL, LOUISIANA**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2008**

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities</b>							
General government	\$ 9,076,962	\$ 4,257,489	\$ 315,006	\$ 51,976	\$ (4,452,491)	\$ -	\$ (4,452,491)
Public works	11,366,623	459,014	1,527,622	9,953,231	573,244	-	573,244
Public safety	10,075,755	1,080,721	1,685,409	1,233,775	(6,075,850)	-	(6,075,850)
Parks and recreation	2,116,497	20,010	142,564	65,808	(1,888,115)	-	(1,888,115)
Judicial system	352,926	12,799	-	-	(340,127)	-	(340,127)
Interest on long-term debt	819,182	-	-	-	(819,182)	-	(819,182)
Total Governmental Activities	<u>33,807,945</u>	<u>5,830,033</u>	<u>3,670,601</u>	<u>11,304,790</u>	<u>(13,002,521)</u>	<u>-</u>	<u>(13,002,521)</u>
<b>Business-type Activities</b>							
Utilities	8,914,670	8,140,057	-	227,484	-	(547,129)	(547,129)
Airport	581,366	100,163	-	410,721	-	(70,482)	(70,482)
Total Business-type Activities	<u>9,496,036</u>	<u>8,240,220</u>	<u>-</u>	<u>638,205</u>	<u>-</u>	<u>(617,611)</u>	<u>(617,611)</u>
<b>Total</b>	<u>\$ 43,303,981</u>	<u>\$ 14,070,253</u>	<u>\$ 3,670,601</u>	<u>\$ 11,942,995</u>	<u>(13,002,521)</u>	<u>(617,611)</u>	<u>(13,620,132)</u>
General Revenues:							
Taxes:							
Ad valorem					\$ 3,391,577	\$ 1,445,932	\$ 4,837,509
Sales and use					21,130,329	-	21,130,329
Franchise					2,000,835	-	2,000,835
Beer and Tobacco					106,212	-	106,212
Investment earnings					827,026	77,540	904,566
Miscellaneous					91,331	8,319	99,650
Transfers					346,577	(346,577)	-
Total General Revenues and Transfers					<u>27,893,887</u>	<u>1,185,214</u>	<u>29,079,101</u>
Change in net assets					14,891,366	567,603	15,458,969
Net assets - beginning of year					55,306,525	45,903,221	101,209,746
Net assets - end of year					<u>\$ 70,197,891</u>	<u>\$ 46,470,824</u>	<u>\$ 116,668,715</u>

The accompanying notes are an integral part of this statement.

**CITY OF SLIDELL, LOUISIANA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2008**

	General Fund	Sales Tax Fund	Katrina Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 22,313,397	\$ 200	\$ -	\$ -	\$ 22,313,597
Investments	-	-	-	1,221,627	1,221,627
Receivables, net of allowances for uncollectible:					
Taxes	809,673	1,786,519	-	-	2,596,192
Other	100,941	1,179	-	77,117	179,237
Due from other funds	805	9,027,829	3,075,552	2,398,971	14,503,157
Due from other governments	116,305	132,910	-	510,256	759,471
Inventory	149,883	-	-	-	149,883
Prepaid items	1,188,442	-	-	-	1,188,442
Restricted assets:					
Cash	224,689	992,689	-	-	1,217,378
Investments	275,000	1,052,341	-	-	1,327,341
<b>TOTAL ASSETS</b>	<b>\$ 25,179,135</b>	<b>\$ 12,993,667</b>	<b>\$ 3,075,552</b>	<b>\$ 4,207,971</b>	<b>\$ 45,456,325</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts, salaries, and other payables	\$ 1,857,168	\$ 712,575	\$ 657,129	\$ 1,250,086	\$ 4,476,958
Due to other funds	18,184,554	-	-	805	18,185,359
Total Liabilities	20,041,722	712,575	657,129	1,250,891	22,662,317
Fund balances:					
Reserved for:					
Prepaid items	1,188,442	-	-	-	1,188,442
Inventory	149,883	-	-	-	149,883
Insurance	275,000	-	-	-	275,000
Debt service	-	-	-	1,267,584	1,267,584
Grants	-	-	-	90,000	90,000
Bond reserve fund	-	1,052,341	-	-	1,052,341
Bond sinking fund	-	992,689	-	-	992,689
Unreserved, designated for:					
Capital outlay	-	6,635,491	-	25,149	6,660,640
Operating reserves	-	275,000	-	-	275,000
Contingencies	615,000	1,983,000	-	500,363	3,098,363
Compensated absences	400,000	250,000	-	-	650,000
Claims	478,000	-	-	-	478,000
Training facility	-	-	-	119,540	119,540
Unreserved, undesignated, reported in:					
General Fund	2,031,088	-	-	-	2,031,088
Special revenue funds	-	1,092,571	2,418,423	954,444	4,465,438
Total fund balances	5,137,413	12,281,092	2,418,423	2,957,080	22,794,008
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 25,179,135</b>	<b>\$ 12,993,667</b>	<b>\$ 3,075,552</b>	<b>\$ 4,207,971</b>	<b>\$ 45,456,325</b>

The accompanying notes are an integral part of this statement.

**CITY OF SLIDELL, LOUISIANA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET ASSETS**  
**June 30, 2008**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balances, Total Governmental Funds	\$ 22,794,008
Receivables due from FEMA related to Hurricane Katrina are reported in the Statement of Net Assets at the time they are earned, without regard to the timeliness of the remittance by FEMA.	1,762,816
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	66,989,260
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Accrued interest payable	(183,939)
Claims	(1,402,792)
Compensated absences	(1,799,000)
Bonds, notes, and loans payable (net of premiums, discounts and deferred charges)	(17,962,462)
Net Assets of Governmental Activities	<u>\$ 70,197,891</u>

The accompanying notes are an integral part of this statement.

**CITY OF SLIDELL, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2008**

	General Fund	Sales Tax Fund	Katrina Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes and assessments:					
Sales and use taxes	\$ -	\$ 21,130,329	\$ -	\$ -	\$ 21,130,329
Ad Valorem	1,692,644	356,041	-	1,342,893	3,391,578
Franchise	2,000,835	-	-	-	2,000,835
Licenses and permits	2,344,813	-	-	-	2,344,813
Intergovernmental revenues:					
State revenue sharing	106,213	-	-	-	106,213
Federal and state grants	-	158,971	8,461,474	1,438,946	10,059,391
Other state and local governmental revenues	365,500	-	-	-	365,500
State supplemental pay	405,970	-	-	-	405,970
Fines and forfeitures	503,042	-	-	-	503,042
Service charges	256,679	23,031	-	2,238,854	2,518,564
Contributions	-	-	-	183,647	183,647
Other revenues, primarily interest and tuition	784,806	180,075	-	50,734	1,015,615
<b>Total revenues</b>	<b>8,460,502</b>	<b>21,848,447</b>	<b>8,461,474</b>	<b>5,255,074</b>	<b>44,025,497</b>
<b>EXPENDITURES</b>					
Current:					
General government	3,945,393	3,202,014	-	1,391,729	8,539,136
Public works	1,022,198	4,642,456	518,073	22,525	6,205,252
Public safety	7,199,853	857,582	938,895	255,941	9,252,271
Recreation and culture	-	1,392,929	38,090	233,022	1,664,041
Judicial system	321,528	-	-	-	321,528
Debt Service:					
Principal retirement	-	128,565	-	2,598,600	2,727,165
Interest and fiscal charges	-	41,932	-	634,911	676,843
Capital outlay	-	4,363,713	2,099,001	1,127,945	7,590,659
<b>Total expenditures</b>	<b>12,488,972</b>	<b>14,629,191</b>	<b>3,594,059</b>	<b>6,264,673</b>	<b>36,976,895</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,028,470)	7,219,256	4,867,415	(1,009,599)	7,048,602
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	4,452,843	-	-	2,285,895	6,738,738
Transfers out	(31,225)	(6,360,936)	-	-	(6,392,161)
<b>Total other financing sources (uses)</b>	<b>4,421,618</b>	<b>(6,360,936)</b>	<b>-</b>	<b>2,285,895</b>	<b>346,577</b>
<b>Net Change in Fund Balances</b>	<b>393,148</b>	<b>858,320</b>	<b>4,867,415</b>	<b>1,276,296</b>	<b>7,395,179</b>
Fund balances - beginning of year	4,744,265	11,422,772	(2,448,992)	1,680,784	15,398,829
Fund balances - end of year	\$ 5,137,413	\$ 12,281,092	\$ 2,418,423	\$ 2,957,080	\$ 22,794,008

The accompanying notes are an integral part of this statement.

**CITY OF SLIDELL, LOUISIANA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2008**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds	\$ 7,395,179
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	5,972,010
Depreciation expense	(5,497,094)
In the Statement of Activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.	(14,184)
Developer contributions are reported in the Statement of Activities as income based on the fair market value of the assets but do not provide current financial resources and, therefore, are not reported in governmental funds.	5,568,235
The repayment of principal of long-term debt consumes the current financial resources of governmental funds. However, this does not have any effect on net assets.	2,727,165
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Claims	158,208
Compensated absences	(49,000)
Amortization of deferred charges	(50,651)
Amortization of issuance cost	(41,582)
Accrued expenses	1,200,000
Accrued interest expense	(50,106)
Revenue is reported in the Statement of Activities at the time it is earned, without regard to timeliness of collection:	
Accrued revenue for the current year	1,762,816
Less: accrued revenue for the prior year	(4,189,630)
Change in Net Assets of Governmental Activities	<u>\$ 14,891,366</u>

The accompanying notes are an integral part of this statement.

**CITY OF SLIDELL, LOUISIANA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**June 30, 2008**

	<u>Utilities</u>	<u>Airport</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 5,000	\$ -	\$ 5,000
Accounts receivable, net of allowances for doubtful accounts of \$620,721 in 2008	812,375	-	812,375
Unbilled receivables	332,053	-	332,053
Other receivables	45	225	270
Due from other funds	3,369,852	258,035	3,627,887
Inventory	114,502	-	114,502
Prepaid Items	-	1,248	1,248
Due from other governments	30,000	57,575	87,575
Total current assets	<u>4,663,827</u>	<u>317,083</u>	<u>4,980,910</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	2,295,349	-	2,295,349
Investments	859,441	-	859,441
Capital assets, net of accumulated depreciation	42,035,189	5,841,342	47,876,531
Other assets	129,776	-	129,776
Total noncurrent assets	<u>45,319,755</u>	<u>5,841,342</u>	<u>51,161,097</u>
<b>TOTAL ASSETS</b>	<u>49,983,582</u>	<u>6,158,425</u>	<u>56,142,007</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	222,635	5,614	228,249
Interest payable	102,934	-	102,934
Revenue bonds payable	520,000	-	520,000
Certificate of indebtedness	164,000	-	164,000
Compensated absences	75,000	-	75,000
Total current liabilities	<u>1,084,569</u>	<u>5,614</u>	<u>1,090,183</u>
Non-current liabilities:			
Bonds payable	6,500,000	-	6,500,000
Certificate of indebtedness	1,807,000	-	1,807,000
Compensated absences	269,000	5,000	274,000
Total noncurrent liabilities	<u>8,576,000</u>	<u>5,000</u>	<u>8,581,000</u>
<b>TOTAL LIABILITIES</b>	<u>9,660,569</u>	<u>10,614</u>	<u>9,671,183</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	36,986,189	5,841,342	42,827,531
Restricted	3,154,790	-	3,154,790
Unrestricted	182,034	306,469	488,503
<b>TOTAL NET ASSETS</b>	<u>\$ 40,323,013</u>	<u>\$ 6,147,811</u>	<u>\$ 46,470,824</u>

The accompanying notes are an integral part of this statement.

**CITY OF SLIDELL, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2008**

	Utilities	Airport	Total
<b>Operating Revenues</b>			
Charges for services:			
Water	\$ 3,205,223	\$ -	\$ 3,205,223
Sewer	3,667,701	-	3,667,701
Solid waste disposal	856,808	-	856,808
Connection charges	252,644	-	252,644
Tie down and rental revenues	-	100,163	100,163
Penalties	157,681	-	157,681
Total operating revenues	<u>8,140,057</u>	<u>100,163</u>	<u>8,240,220</u>
<b>Operating Expenses</b>			
Salaries, wages and related benefits	2,884,821	156,351	3,041,172
Solid waste disposal	1,668,973	-	1,668,973
Repairs and maintenance	731,030	6,916	737,946
Materials and supplies	257,926	3,961	261,887
Utilities	493,896	4,389	498,285
Gas and oil	129,810	7,512	137,322
Insurance	139,318	7,266	146,584
Office expense	9,882	3,509	13,391
Certification and training	12,738	7,117	19,855
Other	223,226	1,751	224,977
Depreciation	1,990,419	382,594	2,373,013
Total operating expenses	<u>8,542,039</u>	<u>581,366</u>	<u>9,123,405</u>
Operating income (loss)	<u>(401,982)</u>	<u>(481,203)</u>	<u>(883,185)</u>
<b>Non-operating Revenues (Expenses)</b>			
Ad valorem taxes assessed for sewerage maintenance	722,966	-	722,966
Ad valorem taxes assessed for garbage service	722,966	-	722,966
Other income, primarily interest	77,540	-	77,540
Interest and fiscal charges	(343,389)	-	(343,389)
Other revenues (expenses)	(29,242)	8,319	(20,923)
Total non-operating revenues	<u>1,150,841</u>	<u>8,319</u>	<u>1,159,160</u>
Income (loss) before contributions and transfers	<u>748,859</u>	<u>(472,884)</u>	<u>275,975</u>
Capital Contributions	227,484	410,721	638,205
Transfers In	31,225	170,198	201,423
Transfers Out	<u>(548,000)</u>	<u>-</u>	<u>(548,000)</u>
Change in net assets	459,568	108,035	567,603
Net assets - beginning of year	<u>39,863,445</u>	<u>6,039,776</u>	<u>45,903,221</u>
Net assets - end of year	<u>\$ 40,323,013</u>	<u>\$ 6,147,811</u>	<u>\$ 46,470,824</u>

The accompanying notes are an integral part of this statement.

**CITY OF SLIDELL, LOUISIANA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2008**

	Utilities	Airport	Total
<b>Cash flows from operating activities</b>			
Receipts from customers and users	\$ 8,012,633	\$ 100,588	\$ 8,113,221
Payments for goods and services	(2,955,899)	(20,649)	(2,976,548)
Payments for employee services	(2,878,821)	(156,351)	(3,035,172)
Payments for direct and indirect costs	(790,749)	(20,523)	(811,272)
Net cash provided by (used in) operating activities	1,387,164	(96,935)	1,290,229
<b>Cash flows from noncapital financing activities</b>			
Transfers from other funds	31,225	170,198	201,423
Transfers to other funds	(548,000)	-	(548,000)
Advances to other funds	(752,246)	(323,308)	(1,075,554)
Property tax assessed for sewer maintenance	722,966	-	722,966
Property tax assessed for garbage service	722,966	-	722,966
Hurricane leases	-	851	851
Operating grants	-	6,170	6,170
Net cash provided by (used in) noncapital financing activities	176,911	(146,089)	30,822
<b>Cash flows from capital and related financing activities</b>			
Capital contributions	227,484	640,379	867,863
Acquisition and construction of capital assets	(968,777)	(398,653)	(1,367,430)
Principal paid on capital debt	(495,000)	-	(495,000)
Proceeds from capital debt	1,971,000	-	1,971,000
Interest paid on capital debt	(320,362)	-	(320,362)
Proceeds from sale of capital assets	4,610	1,298	5,908
Net cash provided by capital and related financing activities	418,955	243,024	661,979
<b>Cash flows from investing activities</b>			
Purchase of investments	(2,550,882)	-	(2,550,882)
Proceeds from maturities and sale of investments	2,616,750	-	2,616,750
Proceeds from interest income	42,610	-	42,610
Net cash provided by investing activities	108,478	-	108,478

(continued)

**CITY OF SLIDELL, LOUISIANA**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2008**

	<u>Utilities</u>	<u>Airport</u>	<u>Total</u>
Net increase (decrease) in cash	\$ 2,091,508	\$ -	\$ 2,091,508
Cash and cash equivalents, beginning of year	208,841	-	208,841
Cash and cash equivalents, end of year	<u>\$ 2,300,349</u>	<u>\$ -</u>	<u>\$ 2,300,349</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating loss	\$ (401,982)	\$ (481,203)	\$ (883,185)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	1,990,419	382,594	2,373,013
Bad debt expense	78,429	-	78,429
Change in asset and liabilities:			
(Increase) decrease in accounts receivable/other assets	(127,684)	1,674	(126,010)
(Increase) decrease in inventory	12,463	-	12,463
Increase (decrease) in accounts payable	<u>(164,481)</u>	<u>-</u>	<u>(164,481)</u>
Net cash provided by (used in) operating activities	<u>\$ 1,387,164</u>	<u>\$ (96,935)</u>	<u>\$ 1,290,229</u>
<b>Noncash investing, capital, and financing activities:</b>			
Change in the fair market value of investments	\$ 1,090	\$ -	\$ 1,090
Amortization	\$ (10,065)	\$ -	\$ (10,065)
Gain on disposal of property	\$ -	\$ -	\$ -
Loss on disposal of capital assets	\$ (23,787)	\$ -	\$ (23,787)
Contributions of capital assets from government	\$ -	\$ 179,864	\$ 179,864
<b>Reconciliation of cash and cash equivalents to statement of net assets:</b>			
Cash and cash equivalents, unrestricted	\$ 5,000	\$ -	\$ 5,000
Cash and cash equivalents, restricted	<u>2,295,349</u>	<u>-</u>	<u>2,295,349</u>
Cash and cash equivalents, end of year	<u>\$ 2,300,349</u>	<u>\$ -</u>	<u>\$ 2,300,349</u>

The accompanying notes are an integral part of this statement.

**CITY OF SLIDELL, LOUISIANA**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**June 30, 2008**

	<u>Agency Funds</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 1,050
Restricted cash	123,205
Due from General Fund	<u>54,314</u>
Total assets	<u><u>\$ 178,569</u></u>
<b>Liabilities</b>	
Accounts payable	\$ 1,495
Due to local entities	<u>177,074</u>
Total liabilities	<u><u>\$ 178,569</u></u>

The accompanying notes are an integral part of this statement.

**CITY OF SLIDELL, LOUISIANA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**For the Year Ended June 30, 2008**

	Agency Funds			
	BALANCE JULY 1, 2007	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2008
<b>Assets</b>				
Cash and cash equivalents	\$ 1,050	\$ -	\$ -	\$ 1,050
Restricted cash	113,464	9,741	-	123,205
Due from General Fund	55,097	1,100	1,883	54,314
<b>Total assets</b>	<b>\$ 169,611</b>	<b>\$ 10,841</b>	<b>\$ 1,883</b>	<b>\$ 178,569</b>
<b>Liabilities</b>				
Accounts payable	\$ 1,733	\$ -	\$ 238	\$ 1,495
Due to other funds	-	1,100	1,100	-
Due to local entities	167,878	72,776	63,580	177,074
<b>Total liabilities</b>	<b>\$ 169,611</b>	<b>\$ 73,876</b>	<b>\$ 64,918</b>	<b>\$ 178,569</b>

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2008**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of City of Slidell, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP); these financial statements present the City as the primary government. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

**1. REPORTING ENTITY**

The City is a municipal corporation governed by an elected nine-member Council. As required by generally accepted accounting principles, these financial statements present the City as the primary government. The City has no component units; therefore, the City also represents the reporting entity.

**2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Changes in Net Assets) report information on all of the nonfiduciary activities of the City. The effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual enterprise funds are reported as separate columns in the fund financial statements.

**3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements (except agency funds which do not have a measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)**

revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Sales Tax Fund* accounts for the bond proceeds and subsequent debt service and expenditures funded by the City's two percent sales and use tax, which are primarily dedicated for public improvements.

The *Katrina Fund* accounts for FEMA reimbursements, insurance proceeds and the related costs associated with the storm.

The City reports the following major proprietary funds:

The *Utility Fund* accounts for the operations of the water and sewerage systems and the solid waste disposal system.

The *Airport Fund* accounts for operations of the Slidell Municipal Airport.

Additionally, the City reports the following fund type:

Agency funds which are used to account for the activities of the Christmas Under the Stars Fund and the Animal Assistance League of Slidell.

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)**

These funds account for assets held by the City in a fiduciary capacity for individuals, organizations and others.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Utility Fund and Airport Fund are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**4. BUDGETARY ACCOUNTING**

***Budget Policies*** - The Mayor and City Council approve, prior to the beginning of each year, an annual operating budget prepared on the modified accrual basis for general governmental activities, except state supplemental pay (\$405,970 in 2008) to police officers is not treated as budgeted revenues and expenditures of the General Fund. Payments under capital leases are treated as expenditures in the year of payment for budgetary purposes. At the end of the fiscal year, unexpended and unencumbered appropriations of these funds automatically lapse with the exception of capital outlay appropriations, which lapse after three fiscal years.

Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds, the only fund types having legally adopted

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. BUDGETARY ACCOUNTING (CONTINUED)**

annual budgets. Expenditures are budgeted at the departmental level, which is the level at which expenditures may not legally exceed appropriations. For all other funds effective budgetary control is alternatively achieved through bond indenture provisions, certificate of indebtedness provisions, and trust agreements. Certain revenues, capital outlay, claims, judgments and disaster expenditures arise from special grants, contracts, and specific events which specify the use of the funds and, accordingly, no budgetary control is required.

During the year, the Mayor may authorize transfers between line items within a department without Council approval. Upon request by the Mayor, the Council may amend departmental or fund level appropriations during the year. The budget data reflected in the Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary Basis, (see pages 51 to 55 and 60 to 63) includes the effect of such appropriation amendments approved by the City Council during the current year. These amendments may reappropriate designated and/or reserved funds rolling forward from the previous year for various capital projects as well as amend the distributions of operating funds already appropriated.

**5. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General and Special Revenue Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities and because the commitments will be honored during the subsequent year. There were no encumbrances outstanding at June 30, 2008.

**6. CASH AND CASH EQUIVALENTS**

For the purpose of the Statement of Net Assets, cash includes all demand, savings accounts, and certificates of deposit of the City. For the purpose of the proprietary funds Statement of Cash Flows, all highly liquid investments (including certificates of deposit) with maturity of three months or less when purchased are considered to be cash equivalents.

The City is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the United States, or laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. State Law R.S. 39:1225 provides that the amount of the security shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by United States.

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**7. INVESTMENTS**

State Law R.S. 33:2955 allows the investment in direct United States Treasury obligations; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, which are federally sponsored; direct security repurchase agreements of any federal book-entry-only securities guaranteed by the U.S. government; time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana; savings accounts or shares of certain savings and loan associations and savings banks; certain accounts of federally or state chartered credit unions, and certain mutual or trust fund institutions.

Investments are stated at fair value in accordance with Government Accounting Standards Board Statement (GASB) No. 31 *"Accounting and Financial Reporting for Certain Investments and for External Investment Pools"*.

**8. INTERFUND TRANSACTIONS**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds". Short-term interfund loans are reported as "interfund receivables and payables". Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

The permanent reallocation of resources between funds of the City are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

**9. PAYMENT IN LIEU OF TAXES**

Costs associated with general governmental operations of the City are initially recorded in the General Fund. A portion of these costs is applicable to the administration and operation of the Sales Tax and Utility Funds.

For the Sales Tax Fund, in lieu of an administrative cost allocation, the City budgets a transfer of a portion of the sales tax revenues to the General Fund.

For the Utility Fund, the payment in lieu of taxes is made to the General Fund based on rates the General Fund would have charged a third party for the services provided. The rates are determined based on the current franchise and property millage tax rates.

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**10. INVENTORIES AND PREPAIDS**

Inventories are valued at cost using the average cost method. Inventories in the governmental funds consist of materials and supplies held for consumption and are accounted for using the consumption method whereby individual items are recorded as expenditures when they are consumed. Inventories in the governmental funds are equally offset by a reservation of fund balance, which indicates that although inventories are a component of net current assets, they do not constitute "available spendable resources." Inventories in the proprietary funds consist of chemicals, repair materials, and spare parts. These inventories are also accounted for using the consumption method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**11. RESTRICTED ASSETS**

Restricted assets on the Balance Sheet of the Sales Tax Fund represent amounts which are required to be maintained pursuant to the ordinance relating to the Series 2003 Public Improvement Refunding Bonds (bond sinking fund and reserve fund, see Note E). A corresponding amount of fund balance is reserved as these monies are legally segregated for a specific future use.

Restricted investments on the Balance Sheet of the General Fund represent a certificate of deposit of \$275,000 required to be maintained and held by the Workers Compensation Fund (a State of Louisiana agency) as collateral against the City's self-insured portion of workers' compensation claims. A corresponding amount of fund balance is reserved as these monies are legally segregated for a specific future use. Restricted cash on the Balance Sheet of the General Fund totals \$224,689, which represents cash received through grants and cash received through various law enforcement seizures that are restricted for future law enforcement activity.

Restricted assets on the balance sheet of the Utility Fund represent funds which are required to be maintained pursuant to ordinances relating to the Utilities Revenue Bonds and Certificates of Indebtedness.

**12. CAPITAL ASSETS**

Capital assets, which include land and land improvements, buildings, equipment, and infrastructure assets (streets, roads, bridges, canals, and sewer and drainage systems), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**12. CAPITAL ASSETS (CONTINUED)**

constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major additions are capitalized as projects are constructed.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Depreciation on all capital assets, excluding land and construction in progress, is calculated on the straight-line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Asset Life</u>
Land Improvements	7 to 20
Buildings and Building Improvements	20 to 50
Street system	10 to 20
Drainage system	20
Office Equipment	4 to 10
Machinery and Equipment	10
Vehicles	4
Bridges	25
Water system	20 to 50
Sewerage system	10 to 50

**13. COMPENSATED ABSENCES**

Vacation and sick leave benefits are based on the number of years of service and may be carried forward to subsequent years. However, upon retirement or termination 30 days of earned vacation will be paid to City employees. In addition, 30 days of earned sick leave will be paid to City employees only upon retirement. Upon retirement unused and unpaid sick leave and vacation leave are converted to time served for retirement credit. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements.

In the fund financial statements, the governmental funds report a liability for compensated absences for the amount that has matured as a result of employee resignations and retirements.

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**13. COMPENSATED ABSENCES (CONTINUED)**

Compensated absences are liquidated by the funds in which the employees' salaries were reported. In prior years, the funds which have typically been used to liquidate compensated absences have been the General, Sales Tax, Regional Training Facility and Utility Funds.

**14. LONG-TERM DEBT**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**15. AD VALOREM TAXES**

Ad valorem taxes are levied based on a calendar year. The tax is due and becomes an enforceable lien on the property when the tax bills are mailed in early December. Although the bill states the property taxes are due on December 31<sup>st</sup>, penalties are assessed for any payment not received by January 15<sup>th</sup>. Taxes are billed and collected by the St. Tammany Sheriff's Office, which receives a fee per property tax bill for its services. Property tax revenues are recognized when levied to the extent that they are determined to be currently collectible. Any unpaid taxes are collected in connection with a tax sale held in June.

**16. EQUITY CLASSIFICATIONS**

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**16. EQUITY CLASSIFICATIONS (CONTINUED)**

b. Restricted net assets - consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted for other purposes on the Statement of Net Assets consist of grant related cash and workers compensation investments.

c. Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**17. INDIVIDUAL FUND DISCLOSURE**

For the year ended June 30, 2008, none of the City's funds had expenditures in excess of appropriations.

**18. ACCOUNTING ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE B - CASH AND INVESTMENTS**

Deposits

The City had the following cash as of June 30, 2008:

	<u>Total</u>
Governmental funds:	
Unrestricted	
Petty cash	\$ 1,000
Demand deposits	22,312,597
Restricted	
Demand deposits	1,217,378
Proprietary funds:	
Unrestricted	
Demand deposits	5,000
Restricted	
Demand deposits	2,295,349
Fiduciary Funds	
Unrestricted	
Petty cash	1,050
Restricted	
Demand deposits	<u>123,205</u>
	<u>\$25,955,579</u>

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. The City's deposit policy for custodial credit risk conforms to state law, as described in Note A. At June 30, 2008, the City's demand deposit bank balances of \$26,382,643 were entirely secured by federal deposit insurance and pledged securities held by the City's agent in the City's name.

Investments

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investment. The City is not exposed to custodial credit risk at June 30, 2008 since investments are held in the name of the City. The City's investment policy conforms to state law, as described in Note A.

Concentration of credit risk relates to the amount of investments in any one entity. At June 30, 2008, the City had no investments in any one entity which exceeded 5% of total investments, except obligations of federally sponsored entities, which are implicitly guaranteed by the federal government.

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE B - CASH AND INVESTMENTS (CONTINUED)**

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy conforms to state law, which includes a policy that limits investment maturities to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity. This reduces exposure to fair value losses arising from increasing interest rates.

As of June 30, 2008, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Greater Than 10</u>
U.S. Treasuries	\$3,105,545	\$3,105,545	\$ -	\$ -	\$ -
Certificates of Deposit	<u>302,864</u>	<u>302,864</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$3,408,409</u>	<u>\$3,408,409</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Credit risk is defined as the risk that an insurer or other counterparty to an investment will not fulfill its obligations. As of June 30, 2008, the City's investments are in obligations of or guaranteed by the U.S. government. The City's investment policy minimizes credit risk by limiting its investments to those which are either obligations of, guaranteed by, or collateralized by, the U.S. government.

**NOTE C - RETIREMENT PLANS**

The City provides pension benefits for all of its full-time employees through two separate cost-sharing, multiple-employer public employee retirement systems. All full-time City employees, except police, are members in the Municipal Employees' Retirement System of the State of Louisiana (the Municipal System). All full-time police are members of the Municipal and State Police Retirement System of Louisiana (the Police System).

The City's total payroll cost, excluding benefits, was approximately \$13,182,000 for fiscal 2008. Also, police officers receive on-behalf payments of State supplemental pay, which totaled \$405,970 for fiscal year 2008. These on-behalf payments are recognized as revenues and expenditures in the General Fund. Contributions to these retirement systems were based on participating full-time employee earnings, which were approximately as follows for fiscal 2008:

Municipal System	\$ 6,577,000
Police System	<u>4,142,000</u>
Total	<u>\$ 10,719,000</u>

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE C - RETIREMENT PLANS (CONTINUED)**

Municipal employees participating in the Municipal System are entitled to a retirement benefit at or after age 60 with 10 years of creditable service or at any age with 25 years of creditable service. The retirement benefit is generally three percent of the member's final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. The system also provides death and disability benefits as well as a deferred retirement option. Benefits are established by state legislation. The Municipal System issues a publicly available financial report that includes the financial statements and required supplementary information for the Municipal System. That report may be obtained by writing to the Municipal Employees' Retirement System, 7937 Office Park Blvd., Baton Rouge, Louisiana 70809.

Police participating in the Police System for at least one year are eligible for normal retirement at or after age 50 with 20 years of creditable service, age 55 with 12 years creditable service or at any age with 25 years of creditable service. The retirement benefit is generally three and one-third percent of the members' average final compensation multiplied by their years of creditable service (not to exceed 100% of average final compensation). The system also provides death and disability benefits as well as a deferred retirement option. Benefits are established by State legislation. The Police System issues a publicly available financial report that includes the financial statements and required supplementary information for the Police System. That report may be obtained by writing to the Municipal and State Police Retirement System of Louisiana, 8401 United Plaza Building, Room 235, Baton Rouge, Louisiana 70809.

State legislation has established the obligations of the City and its employees for contributions at 16.00% and 9.25% of employee earnings, respectively, for the Municipal System, as well as 13.75% and 7.50% of employee earnings, respectively, for the Police System. The contributions made by the City are greater than its obligations established by the State legislature in order to reduce employee contributions accordingly. The City contributed 22.75% of participating employee earnings to the Municipal System for 2008. The City's contributions to the Police System were 21.25% of the participating policemen's wages for 2008. The City's contributions to the Municipal System for the years ending June 30, 2008, 2007 and 2006 were approximately \$1,496,000, \$1,576,000 and \$1,560,000, respectively, equal to the required contribution for each year. The City's contributions to the Police System for the years ending June 30, 2008, 2007 and 2006 were approximately \$876,000, \$805,000 and \$935,000, respectively, equal to the required contribution for each year.

**NOTE D - DEDICATED REVENUES**

The City collects a two percent sales and use tax pursuant to two separate one percent tax propositions approved by the voters in November 1962 (fiscal 1963) and September 1986 (fiscal 1987). These revenues are dedicated for specific purposes and are accounted for in a separate Special Revenue Fund.

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE D - DEDICATED REVENUES (CONTINUED)**

An inter-governmental agreement (known as the Sales Tax Enhancement Plan) was executed between the City and Sales Tax District #3 of St. Tammany Parish. The agreement targets all undeveloped commercial properties (within St. Tammany Parish) annexed into the City after November 4, 1986 and stipulates that the two percent sales and use tax derived from the subsequent development of such properties would be split equally (after the City recovered approximately \$1,386,000 of costs relating to the extension of services to two retail developments) between the City and Sales Tax District #3 of St. Tammany Parish. The initial agreement had a twenty-year life, and expired December 1, 2006. The City entered into negotiations with St. Tammany Parish to renew this agreement and on October 24, 2007, an ordinance was passed renewing the inter-governmental agreement between the City and Sales Tax District #3 of St. Tammany Parish, with a few minor changes. The agreement has a twenty-five year life, expiring December 1, 2031.

Dedication of the 1963 tax, as amended, requires one half of all proceeds of the tax to be used first for debt service requirements and the costs for bonds issued for the purpose of constructing, acquiring, or improving lands, buildings or other works of public improvement for the City, including equipment and furnishings thereof, title to which shall be in the public's name. The remaining dedicated revenue is to be used for constructing, acquiring or improving the aforementioned capital improvements. The proposition also provides for one half of the 1963 sales and use tax revenues to be undedicated. These undedicated revenues are available for general operations.

All of the proceeds of the 1987 tax, after paying the reasonable and necessary expenses of collecting and administering the tax, are dedicated to the purchasing, constructing, acquiring, extending, improving, maintaining, and/or operating public facilities, public works or capital improvements and paying the capital costs of police protection and public safety for the City or any sites, equipment and furnishings thereof. According to the voter-approved proposition, the City is further authorized to fund the proceeds of the tax into bonds for the above-stated capital purposes.

Proceeds of the 1963 sales and use tax serve as security for outstanding sales tax revenue bonds (see Note E).

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE E - LONG-TERM DEBT**

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2008:

	Balance 6/30/07	Additions	Reductions	Balance 6/30/08	Due Within One Year
<b>Governmental Activities</b>					
General Obligation Bonds	\$ 6,820,000	\$ -	\$ (1,100,000)	\$ 5,720,000	\$ 1,140,000
Less: Deferred amounts					
on refunding	(96,699)	-	10,744	(85,955)	(10,744)
For issuance premiums	15,924	-	(1,769)	14,155	1,769
For issuance discounts	(1,699)	-	851	(848)	(848)
Sales Tax Revenue Bonds	7,885,000	-	(1,235,000)	6,650,000	1,245,000
Less: Deferred amounts					
For issuance premiums	131,179	-	(13,118)	118,061	13,118
On refunding	(539,437)	-	53,943	(485,494)	(53,943)
Compensated Absences (Note A)	1,750,000	431,475	(382,475)	1,799,000	382,000
Capital Lease Obligation	1,018,998	-	(128,566)	890,432	133,856
LCDA Loan	3,689,200	-	(263,600)	3,425,600	280,600
CDL Loan	2,000,000	-	-	2,000,000	-
Claims and Judgments	<u>1,561,000</u>	<u>4,827,480</u>	<u>(4,985,688)</u>	<u>1,402,792</u>	<u>969,000</u>
<i>Total Governmental Activities</i>	<u>24,233,466</u>	<u>5,258,955</u>	<u>(8,044,678)</u>	<u>21,447,743</u>	<u>4,099,808</u>
<b>Business-Type Activities</b>					
Utility Revenue Bonds	7,515,000	-	(495,000)	7,020,000	520,000
Certificates of Indebtedness	-	1,971,000	-	1,971,000	164,000
Compensated Absences (Note A)	<u>346,000</u>	<u>77,899</u>	<u>(74,899)</u>	<u>349,000</u>	<u>75,000</u>
<i>Total Business-Type Activities</i>	<u>7,861,000</u>	<u>2,048,899</u>	<u>(569,899)</u>	<u>9,340,000</u>	<u>759,000</u>
<b>Total Governmental and Business-Type Activities</b>	<u>\$32,094,466</u>	<u>\$ 7,307,854</u>	<u>\$ (8,614,577)</u>	<u>\$ 30,787,743</u>	<u>\$4,858,808</u>

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE E - LONG-TERM DEBT (CONTINUED)**

Details on the City's long-term debt as of June 30, 2008 are as follows:

General Obligation Bonds secured by ad valorem taxes:

Refunding Bonds, Series 2006, bearing interest from 3.0% to 3.85%, payable annually through 2016	\$ 5,140,000
Refunding Bonds, Series 2005, bearing interest from 1.15% to 2.50%, payable annually through 2009	<u>580,000</u>
	<u>\$ 5,720,000</u>

Sales Tax Bonds secured by sales and use taxes:

Public Improvement Refunding Bonds, Series 2003, secured by a lien and irrevocable pledge of the proceeds of the City's one percent sales and use tax levied in 1986, bearing interest from 2.0% to 5.0%, payable annually through 2017	<u>\$ 6,650,000</u>
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Louisiana Community Development Authority loan ("LCDA"), Series 1991, secured by a pledge of all lawfully available funds, bearing interest at a variable rate (2.66% at 6/30/08), payable annually through 2016	<u>\$ 3,425,600</u>
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Community Disaster Loan ("CDL"), Series 2006, secured by a pledge of the City's revenues each fiscal year the note is outstanding, bearing interest at a variable rate (2.8% at 6/30/08), payable November 30, 2010	<u>\$ 2,000,000</u>
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Utility Revenue Bonds, secured by revenues of the Utility Fund:

Utility Revenue Bonds, Series 1996, bearing interest from 4.6% to 5.55%, payable annually through 2016	\$ 1,340,000
Utility Revenue Bonds, Series 1996A, bearing interest at 3.95%, payable annually through 2017	2,210,000
Utility Revenue Bonds, Series 2004, bearing interest at 3.95%, payable annually through 2024	<u>3,470,000</u>
	<u>\$ 7,020,000</u>

Certificates of Indebtedness, Series 2008, secured by a pledge of all lawfully available funds, bearing interest at 3.440%, payable annually through 2018	<u>\$ 1,971,000</u>
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**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE E - LONG-TERM DEBT (CONTINUED)**

The annual requirements to maturity for general obligation bonds as of June 30, 2008 are as follows:

Year Ending June 30,	Principal	Interest
2009	\$ 1,140,000	\$ 198,257
2010	570,000	165,556
2011	600,000	145,606
2012	625,000	124,606
2013	650,000	103,043
2014-2016	2,135,000	164,344
	<u>\$ 5,720,000</u>	<u>\$ 901,412</u>

The annual requirements to maturity for the certificates of indebtedness as of June 30, 2008 are as follows:

Year Ending June 30,	Principal	Interest
2009	\$ 164,000	\$ 66,672
2010	170,000	62,161
2011	177,000	56,313
2012	184,000	50,224
2013	192,000	43,894
2014-2018	1,084,000	114,862
	<u>\$ 1,971,000</u>	<u>\$ 394,126</u>

The annual requirements to maturity for sales tax bonds as of June 30, 2008 are as follows:

Year Ending June 30,	Principal	Interest
2009	\$ 1,245,000	\$ 204,630
2010	805,000	161,430
2011	835,000	136,830
2012	860,000	111,406
2013	540,000	90,135
2014-2017	2,365,000	171,976
	<u>\$ 6,650,000</u>	<u>\$ 876,407</u>

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE E - LONG-TERM DEBT (CONTINUED)**

The annual requirements to maturity for the Louisiana Community Development Authority ("LCDA") loan as of June 30, 2008 are as follows:

Year Ending June 30,	Principal	Interest
2009	\$ 280,600	\$ 87,737
2010	293,600	80,126
2011	305,100	72,143
2012	318,600	63,918
2013	350,100	55,006
2014-2018	1,877,600	125,235
	<u>\$ 3,425,600</u>	<u>\$ 484,165</u>

Based on the loan and pledge agreement with the Federal Emergency Management Agency (FEMA), the Community Disaster Loan (CDL) accrues simple interest based on the five year Treasury note plus one per cent from the date of each disbursement. The term of the loan is 5 years and may be extended or cancelled pursuant to Section 417 of the Stafford Disaster Relief and Emergency Assistance Act. Payments of principal and interest may be deferred until the end of the five year period.

The annual requirements to maturity for utility revenue bonds as of June 30, 2008 are as follows:

Year Ending June 30,	Principal	Interest
2009	\$ 520,000	\$ 298,730
2010	535,000	275,950
2011	560,000	252,499
2012	580,000	227,897
2013	605,000	202,427
2014-2018	2,705,000	600,000
2019-2023	1,240,000	204,807
2024	275,000	10,862
	<u>\$ 7,020,000</u>	<u>\$ 2,073,172</u>

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE E - LONG-TERM DEBT (CONTINUED)**

At June 30, 2008, the following amounts are considered available for the retirement of general long-term debt:

Sales Tax Fund	\$ 2,045,030
Debt Service Fund	<u>1,215,359</u>
	<u>\$ 3,260,389</u>

In accordance with the Revised Statutes of the State of Louisiana, aggregate debt payable solely from ad valorem taxes for each specific purpose shall not exceed 35% of the total assessed valuation of taxable property. As of June 30, 2008, the City was in compliance with these statutes.

Pursuant to the Revenue Bond Resolution and the 2003 series Public Improvement Bond ordinances, and Utility Revenue Bonds, Series 1996, 1996A and 2004, certain assets of the Special Revenue and Enterprise Funds are restricted (see Note A). As of June 30, 2008, the City is in substantial compliance with the restrictive covenants of its debt agreements.

In prior years, the City defeased certain general obligation and sales tax revenue bonds by placing the proceeds of the new refunding bonds in an irrevocable trust escrow account to provide for the future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Statement of Net Assets. At June 30, 2008, \$10,600,000 in general obligation and sales tax revenue bonds outstanding are considered defeased.

On November 23, 2005, the City entered into a loan and pledge agreement with the United States of America, acting through the Federal Emergency Management Agency (FEMA) under the provisions of the Community Disaster Loan Act of 2005. The purpose of the loan is to allow the City to carry on existing governmental functions of a municipal operating character or to expand such functions to meet disaster related needs. Under the terms of the agreement, the City may borrow up to \$5,023,000. The loan is disbursed in increments as requested by the City. Simple interest based on the five year Treasury note plus one per cent from the date of each disbursement. The term on the loan is five years and may be extended or cancelled pursuant to Section 417 of the Stafford Disaster Relief and Emergency Assistance Act. Payments of principal and interest may be deferred until the end of the five year period. As of June 30, 2008, \$2,000,000 has been drawn down and \$0 has been repaid on the loan. A liability of \$2,000,000 has been recorded in the Statement of Net Assets for Governmental Activities.

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE E - LONG-TERM DEBT (CONTINUED)**

The City is obligated under one lease accounted for as a capital lease in governmental activity long-term debt and governmental activity capital assets. This lease is for police communications equipment and has a remaining lease period of 6 years. The assets acquired through this capital lease are as follows:

	<u>Governmental Activities</u>
Office equipment	\$ 1,331,065
Less accumulated depreciation	<u>(582,341)</u>
Total	<u>\$ 748,724</u>

The following is a schedule of future minimum lease payments under capital leases in governmental activity long-term debt, together with the present value of the net minimum lease payments as of June 30, 2008:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2009	\$ 170,497
2010	170,497
2011	170,497
2012	170,497
2013	170,497
2014	<u>170,497</u>
	1,022,982
Less amount representing interest	<u>(132,550)</u>
	<u>\$ 890,432</u>

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE F - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Due to/from other funds

Due to/from other funds at June 30, 2008 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 805
Katrina Fund	General Fund	3,075,553
Sales Tax Fund	General Fund	9,027,829
Other Governmental Funds	General Fund	2,398,972
Airport Fund	General Fund	258,035
Utility Fund	General Fund	3,369,853
Agency Funds	General Fund	<u>54,314</u>
Total		<u>\$ 18,185,361</u>

The above due to/from other funds were short-term receivables or payables resulting from the normal course of the City's operations.

A summary of the interfund transfers at June 30, 2008 are as follows:

	<u>Transfers In:</u>				
	<u>General Fund</u>	<u>Other Governmental</u>	<u>Utility Fund</u>	<u>Airport Fund</u>	<u>Total</u>
Transfers Out:					
General Fund	\$ -	\$ -	\$ 31,225	\$ -	\$ 31,225
Sales Tax Fund	3,904,843	2,285,895	-	170,198	6,360,936
Utility Fund	<u>548,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>548,000</u>
Totals	<u>\$ 4,452,843</u>	<u>\$ 2,285,895</u>	<u>\$ 31,225</u>	<u>\$ 170,198</u>	<u>\$ 6,940,161</u>

Transfers are primarily used to move funds from:

- The Sales Tax Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.
- The General Fund to the Utility Fund to satisfy bond covenants to provide \$25 for maintenance of each fire hydrant.
- The Utility Fund to the General Fund to satisfy payments in lieu of tax (see Note A, 9., above).

**NOTE G - ALLOWANCE FOR DOUBTFUL ACCOUNTS**

The water, sewerage and garbage receivable balance of \$812,375 in the Utility Fund is net of an allowance for doubtful accounts of \$620,722.

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE H - CAPITAL ASSETS**

A summary of changes in governmental fund type fixed assets for the year ended June 30, 2008 is as follows:

	<u>June 30, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>June 30, 2008</u>
<b>Governmental Activities</b>					
Capital assets not being depreciated:					
Land	\$ 10,266,042	\$ 5,552,192	\$ -	\$ -	\$ 15,818,234
Construction-in-progress	<u>1,555,268</u>	<u>1,442,693</u>	<u>-</u>	<u>(1,093,656)</u>	<u>1,904,305</u>
Total capital assets not being depreciated	<u>11,821,310</u>	<u>6,994,885</u>	<u>-</u>	<u>(1,093,656)</u>	<u>17,722,539</u>
Capital assets being depreciated:					
Buildings and building improvements	24,506,403	275,132	(3,117)	147,864	24,926,282
Land improvements	6,607,965	55,365	-	-	6,663,330
Street system	47,117,726	1,023,138	-	-	48,140,864
Drainage system	32,319,704	2,399,360	-	945,792	35,664,856
Office equipment	3,380,536	64,677	(26,459)	-	3,418,754
Machinery and equipment	4,722,804	270,237	(74,811)	-	4,918,230
Vehicles	5,130,103	457,451	(186,383)	-	5,401,171
Bridges	<u>540,580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>540,580</u>
Total capital assets being depreciated	<u>124,325,821</u>	<u>4,545,360</u>	<u>(290,770)</u>	<u>1,093,656</u>	<u>129,674,067</u>
Less accumulated depreciation for:					
Buildings and building improvements	10,590,346	591,230	(3,117)	-	11,178,459
Land improvements	3,626,068	542,937	-	-	4,169,005
Street system	35,475,599	1,566,252	-	-	37,041,851
Drainage system	17,802,590	1,324,268	-	-	19,126,858
Office equipment	1,527,152	440,042	(16,831)	-	1,950,363
Machinery and equipment	2,036,659	479,842	(70,255)	-	2,446,246
Vehicles	3,821,570	537,251	(186,383)	-	4,172,438
Bridges	<u>306,854</u>	<u>15,272</u>	<u>-</u>	<u>-</u>	<u>322,126</u>
Total accumulated depreciation	<u>75,186,838</u>	<u>5,497,094</u>	<u>(276,586)</u>	<u>-</u>	<u>80,407,346</u>
Total capital assets being depreciated, net	<u>49,138,983</u>	<u>(951,734)</u>	<u>(14,184)</u>	<u>1,093,656</u>	<u>49,266,721</u>
Governmental Activities					
Capital assets, net	<u>\$ 60,960,293</u>	<u>\$ 6,043,151</u>	<u>\$ (14,184)</u>	<u>\$ -</u>	<u>\$ 66,989,260</u>

Construction-in-progress primarily consists of buildings and building improvements which are financed by sales tax revenues and grants.

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE H - CAPITAL ASSETS (CONTINUED)**

A summary of changes in proprietary fund type fixed assets as of June 30, 2008 follows:

	<u>June 30, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>June 30, 2008</u>
<b>Business-Type Activities</b>					
Capital assets not being depreciated:					
Land	\$ 75,658	\$ -	\$ -	\$ -	\$ 75,658
Construction-in-progress	<u>1,265,932</u>	<u>169,142</u>	<u>(14,796)</u>	<u>(1,199,631)</u>	<u>220,647</u>
Total capital assets not being depreciated	<u>1,341,590</u>	<u>169,142</u>	<u>(14,796)</u>	<u>(1,199,631)</u>	<u>296,305</u>
Capital assets being depreciated:					
Buildings and building improvements	590,195	410,720	-	518,609	1,519,524
Land improvements	8,144,800	18,500	-	-	8,163,300
Water system	22,626,786	121,726	-	-	22,748,512
Sewerage system	41,788,393	477,375	-	673,044	42,938,812
Office Equipment	422,741	8,636	(7,039)	-	424,338
Vehicles	1,096,658	168,163	(47,246)	-	1,217,575
Machinery and equipment	<u>2,061,259</u>	<u>165,817</u>	<u>(29,600)</u>	<u>7,978</u>	<u>2,205,454</u>
Total capital assets being depreciated	<u>76,730,832</u>	<u>1,370,937</u>	<u>(83,885)</u>	<u>1,199,631</u>	<u>79,217,515</u>
Less accumulated depreciation for:					
Buildings and building improvements	183,051	41,962	-	-	225,013
Land improvements	2,930,528	352,828	-	-	3,283,356
Water system	11,961,538	526,957	-	-	12,488,495
Sewerage system	11,967,932	1,136,770	-	-	13,104,702
Office Equipment	265,745	56,566	(6,093)	-	316,218
Vehicles	812,406	118,269	(47,246)	-	883,429
Machinery and equipment	<u>1,217,970</u>	<u>139,661</u>	<u>(21,555)</u>	<u>-</u>	<u>1,336,076</u>
Total accumulated depreciation	<u>29,339,170</u>	<u>2,373,013</u>	<u>(74,894)</u>	<u>-</u>	<u>31,637,289</u>
Total capital assets being depreciated, net	<u>47,391,662</u>	<u>(1,002,076)</u>	<u>(8,991)</u>	<u>1,199,631</u>	<u>47,580,226</u>
Business-Type Activities capital assets, net	<u>\$ 48,733,252</u>	<u>\$ 832,934</u>	<u>\$ (23,787)</u>	<u>\$ -</u>	<u>\$ 47,876,531</u>

Construction-in-progress consists primarily of sewer improvements.

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE H - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	\$ 353,591
Public works	3,853,150
Public safety	830,475
Recreation and culture	426,978
Judicial system	<u>32,900</u>
Total depreciation expense - governmental activities	<u>\$ 5,497,094</u>
Business-type activities:	
Utilities	\$ 1,990,419
Airport	<u>382,594</u>
Total depreciation expense - business-type activities	<u>\$ 2,373,013</u>

**NOTE I - COMMITMENTS**

The local electric company owns and leases to the City certain street lighting facilities. In 1986 the City renegotiated the lease agreement, which expired in December 2001 but automatically renews for one-year intervals until cancelled. The City has no intention of canceling this lease at this time. The total amount paid by the City for street lighting under this agreement was approximately \$591,000 for the year ended June 30, 2008.

The City has a contract with a sanitation disposal company to provide garbage collection services to City residents. This contract, which expires June 30, 2009, requires the City to pay a monthly fee of \$14.38 per household for service. The City in turn bills a monthly fee of approximately \$7.90 per household and collects a 4.63 mill property tax for garbage collection in accordance with the voter-approved proposition. The City paid approximately \$1,553,000 under this contract during the year ended June 30, 2008.

**NOTE J - CONTINGENCIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

The City is a defendant in a number of claims and lawsuits resulting principally from personal injury, property damage, and construction claims. The City Attorney and the outside administrator have reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City. As a result of such review, the various claims and lawsuits have been

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE J - CONTINGENCIES (CONTINUED)**

categorized into "probable," "reasonably possible," and "remote" contingencies, as defined in National Council on Governmental Accounting Statement 4 for Claims and Judgments. The City's "reasonably possible" loss contingencies at June 30, 2008 were approximately \$10,000. As of June 30, 2008, the amount of "probable" loss contingencies accrued totaled approximately \$140,000.

On October 28, 2008, Sales Tax District #3 of St. Tammany Parish filed a lawsuit against the City of Slidell claiming that \$512,000 in sales tax revenue collected by the St. Tammany Sheriff's Office and remitted to the City over a ten year period should have been paid to Sales Tax District #3 of St. Tammany Parish. The City has not had adequate time to review this claim or to evaluate the likelihood of an unfavorable outcome to the City, or to estimate the amount or range of potential loss to the City. Accordingly, no liability has been recorded in the accompanying June 30, 2008 financial statements.

**NOTE K - RISK MANAGEMENT**

The City is exposed to various risks of loss related to thefts of, damage to, and destruction of assets, errors and omissions, negligent acts of law enforcement officials and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims did not exceed insurance coverage for fiscal years ended June 30, 2008, 2007 and 2006.

The City is also self-insured with excess coverage in these areas: (a) workers' compensation with a \$300,000 retention and statutory limit on coverage, (b) general liability with a \$50,000 retention per occurrence and a \$1,000,000 limit per occurrence and \$2,000,000 aggregate limit on coverage, (c) auto liability with a \$50,000 retention per accident and a \$1,000,000 per occurrence. The City also has an aggregate limit of \$3,000,000 for workers' compensation claims and an annual stop loss of \$375,000 for general liability and auto liability combined. The City is self-insured for employee medical insurance with a \$50,000 retention per individual and an aggregate stop loss of \$2,925,000.

The City uses the General Fund to account for self-insured risk financing activities. The liability for claims in excess of amounts payable with expendable available resources is recorded in the governmental activities in the Statement of Net Assets. The Sales Tax Fund, Regional Training Facility Fund and the Enterprise Funds make contributions to the General Fund for claims. Estimated losses from claims are recorded when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The expenditure and liability includes an amount for claims that have been incurred but not yet reported. The liability for claims is based on the estimated ultimate cost of settling the claims using past experience adjusted for current trends.

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE K - RISK MANAGEMENT (CONTINUED)**

Changes in the claims liability amounts are as follows:

	Automobile/ General <u>Liability</u>	Workers Compensation	Employee Health/ Dental	<u>Total</u>
Balance, June 30, 2006	\$ 590,000	\$ 292,000	\$ 660,000	\$1,542,000
Claims and changes in estimates	153,997	218,391	4,206,062	4,578,450
Claim payments	<u>(230,997)</u>	<u>(179,391)</u>	<u>(4,149,062)</u>	<u>(4,559,450)</u>
Balance, June 30, 2007	513,000	331,000	717,000	1,561,000
Claims and changes in estimates	(16,475)	172,266	4,671,689	4,827,480
Claim payments	<u>(140,559)</u>	<u>(125,440)</u>	<u>(4,719,689)</u>	<u>(4,985,688)</u>
Balance, June 30, 2008	<u>\$ 355,966</u>	<u>\$ 377,826</u>	<u>\$ 669,000</u>	<u>\$1,402,792</u>

**NOTE L - OTHER POST EMPLOYMENT BENEFITS**

In addition to the retirement benefits described in Note C, City policy allows the City to make available health care benefits to all employees who retire from the City and are receiving benefits from a City sponsored retirement program. Currently, 97 retirees of the City meet these requirements and are participating. The City paid \$1,098,000 into the City's self-funded medical plan on behalf of retirees in fiscal year 2008.

**NOTE M - LEASES**

The City is leasing a building which it owns, which it refers to as the DISA Building, to three separate tenants. The DISA Building was acquired by the City in 1996 by an act of donation. The estimated fair market value is \$7,500,000 and has a carrying value as of June 30, 2008 of \$5,214,000. Depreciation expense related to the building for the year ended June 30, 2008 was approximately \$150,000, which was recorded in the government-wide financial statements.

One lease began in June, 2007, has a term of three years and calls for lease payments of approximately \$137,000 per month. The second lease began in May, 2007, has a term of two years and calls for lease payments of approximately \$3,100 per month. The third lease began in May, 2007, was renewed in May, 2008, has a term of twelve months and calls for lease payments of approximately \$1,400 per month. The total lease revenue to the City for the current fiscal year was approximately \$1,698,000.

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2008**

**NOTE N – FREMAUX ECONOMIC DEVELOPMENT DISTRICT**

The Fremaux Economic Development District (“the District”) was created by an ordinance of the City Council of the City of Slidell on March 25, 2008, pursuant to the Louisiana Cooperative Economic Development Law. On the same date, the Council passed ordinance number 3461 levying an additional sales tax of one percent (1%) in the District and passed ordinance number 3462 levying a hotel occupancy tax of one percent (1%) in the District. The Slidell City Council serves as the Board of Directors of the District. The District encompasses 89 undeveloped acres within the City of Slidell. The purpose of the District is to issue sales tax and hotel occupancy increment revenue bonds for the construction of public works and infrastructure for a new development in the District called Summit Fremaux. On June 2, 2008, an ordinance authorizing the issuance of sales tax and/or hotel occupancy tax revenue bonds in an amount not to exceed twenty-five million dollars (\$25,000,000) was passed by the District Board. The bonds will be repaid from incremental sales tax revenue and hotel occupancy tax. Collateral for the bond is limited to the incremental taxes generated within the District. The City of Slidell has no liability for these bonds or for the debt service of these bonds. As of June 30, 2008, the District has not issued bonds and no economic activity has transpired within the District. The Fremaux Economic District will be included as a discretely presented component unit upon commencement of economic activity.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF SLIDELL, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**GENERAL FUND**  
**For the Year Ended June 30, 2008**

	Budgetary Amounts		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Ad valorem	\$ 1,671,100	\$ 1,671,100	\$ 1,692,644	\$ 21,544
Franchise	1,625,000	1,625,000	2,000,835	375,835
Licenses and permits	2,065,000	2,065,000	2,344,813	279,813
Intergovernmental revenues:				
State revenue sharing	68,000	68,000	106,213	38,213
Other Federal/State grants	13,000	13,000	-	(13,000)
Other state and local governmental revenues	257,000	257,000	365,500	108,500
Fines and forfeitures	190,000	200,000	503,042	303,042
Service charges	82,500	167,500	256,679	89,179
Other revenues, primarily interest	277,500	277,500	784,806	507,306
<b>Total Revenues</b>	<b>6,249,100</b>	<b>6,344,100</b>	<b>8,054,532</b>	<b>1,710,432</b>
<b>Expenditures</b>				
General government:				
Administrative	568,342	568,342	552,183	16,159
Finance	584,997	584,997	572,781	12,216
Legal	368,498	408,498	402,554	5,944
Data processing	284,096	288,096	284,580	3,516
Purchasing	291,279	291,279	279,947	11,332
Civil service	241,248	241,248	231,470	9,778
Legislative	618,456	618,456	551,499	66,957
Risk management	968,814	1,085,814	1,070,379	15,435
	<b>3,925,730</b>	<b>4,086,730</b>	<b>3,945,393</b>	<b>141,337</b>
Public works				
Permits	650,357	779,357	749,320	30,037
Planning	332,690	332,690	272,878	59,812
	<b>983,047</b>	<b>1,112,047</b>	<b>1,022,198</b>	<b>89,849</b>
Public safety				
Police	6,807,280	6,892,280	6,793,883	98,397
Judicial system	310,493	325,493	321,528	3,965
<b>Total Expenditures</b>	<b>\$ 12,026,550</b>	<b>\$ 12,416,550</b>	<b>\$ 12,083,002</b>	<b>\$ 333,548</b>

(continued)

**CITY OF SLIDELL, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**GENERAL FUND (CONTINUED)**  
**For the Year Ended June 30, 2008**

	Budgetary Amounts		Actual on Budgetary Basis	Variance Positive (Negative)
	Original	Final		
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ (5,777,450)</u>	<u>\$ (6,072,450)</u>	<u>\$ (4,028,470)</u>	<u>\$ 2,043,980</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	5,808,675	4,452,843	4,452,843	-
Transfers out	<u>(31,225)</u>	<u>(31,225)</u>	<u>(31,225)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>5,777,450</u>	<u>4,421,618</u>	<u>4,421,618</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	(1,650,832)	393,148	2,043,980
<b>Fund Balances, Beginning of Year</b>	<u>4,744,265</u>	<u>4,744,265</u>	<u>4,744,265</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ 4,744,265</u>	<u>\$ 3,093,433</u>	<u>\$ 5,137,413</u>	<u>\$ 2,043,980</u>

NOTE: The Actual on Budgetary Basis amounts above reflect the modified accrual basis of accounting, except that state supplemental pay for police (\$ 405,970) is not reflected above in revenues or expenditures.

**CITY OF SLIDELL, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**SALES TAX FUND**  
**For the Year Ended June 30, 2008**

	Budgetary Amounts		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Sales	\$ 20,349,000	\$ 20,349,000	\$ 21,130,329	\$ 781,329
Ad valorem	351,500	351,500	356,041	4,541
Grants and donations	14,000	202,913	158,971	(43,942)
Service charges	-	-	23,031	23,031
Other revenue	71,000	107,352	180,075	72,723
<b>Total Revenues</b>	<b>20,785,500</b>	<b>21,010,765</b>	<b>21,848,447</b>	<b>837,682</b>
<b>Expenditures</b>				
General government:				
Administrative	2,741,515	2,806,515	2,794,538	11,977
Animal control	416,399	416,399	407,476	8,923
	<u>3,157,914</u>	<u>3,222,914</u>	<u>3,202,014</u>	<u>20,900</u>
Public works				
Streets, bridges and drainage	3,037,934	2,722,934	2,697,532	25,402
Engineering	566,835	566,835	504,877	61,958
Electrical	249,035	249,035	220,063	28,972
General maintenance	456,294	456,294	407,436	48,858
Vehicle maintenance	772,429	837,429	812,548	24,881
	<u>5,082,527</u>	<u>4,832,527</u>	<u>4,642,456</u>	<u>190,071</u>
Public safety	<u>765,112</u>	<u>892,112</u>	<u>857,582</u>	<u>34,530</u>
Recreation and culture				
Recreation	1,110,530	1,155,530	1,110,567	44,963
Cultural Affairs	323,711	323,711	282,362	41,349
	<u>1,434,241</u>	<u>1,479,241</u>	<u>1,392,929</u>	<u>86,312</u>
Capital outlay	<u>2,693,954</u>	<u>11,197,347</u>	<u>4,534,210</u>	<u>6,663,137</u>
<b>Total Expenditures</b>	<b>\$ 13,133,748</b>	<b>\$ 21,624,141</b>	<b>\$ 14,629,191</b>	<b>\$ 6,994,950</b>

(continued)

**CITY OF SLIDELL, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**SALES TAX FUND (CONTINUED)**  
**For the Year Ended June 30, 2008**

	Budgetary Amounts		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Excess of Revenues Over Expenditures</b>	<u>\$ 7,651,752</u>	<u>\$ (613,376)</u>	<u>\$ 7,219,256</u>	<u>\$ 7,832,632</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	<u>(7,651,752)</u>	<u>(6,396,020)</u>	<u>(6,360,936)</u>	<u>35,084</u>
Total Other Financing Sources (Uses)	<u>(7,651,752)</u>	<u>(6,396,020)</u>	<u>(6,360,936)</u>	<u>35,084</u>
<b>Net Change in Fund Balance</b>	-	(7,009,396)	858,320	7,867,716
<b>Fund Balances, Beginning of Year</b>	<u>11,422,772</u>	<u>11,422,772</u>	<u>11,422,772</u>	-
<b>Fund Balances, End of Year</b>	<u>\$ 11,422,772</u>	<u>\$ 4,413,376</u>	<u>\$ 12,281,092</u>	<u>\$ 7,867,716</u>

**CITY OF SLIDELL, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**KATRINA FUND**  
**For the Year Ended June 30, 2008**

	Budgetary Amounts		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ 1,700,000	\$ 8,349,601	\$ 8,461,474	\$ 111,873
<b>Total Revenues</b>	<u>1,700,000</u>	<u>8,349,601</u>	<u>8,461,474</u>	<u>111,873</u>
<b>Expenditures</b>				
General government	-	-	-	-
Public Works	-	894,048	518,073	375,975
Public Safety	-	1,141,643	938,895	202,748
Recreation and culture	-	1,015,293	38,090	977,203
Capital Outlay	1,700,000	6,998,617	2,099,001	4,899,616
<b>Total Expenditures</b>	<u>1,700,000</u>	<u>10,049,601</u>	<u>3,594,059</u>	<u>6,455,542</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>(1,700,000)</u>	<u>4,867,415</u>	<u>6,567,415</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Insurance proceeds	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	(1,700,000)	4,867,415	6,567,415
<b>Fund Balance, Beginning of Year</b>	<u>(2,448,992)</u>	<u>(2,448,992)</u>	<u>(2,448,992)</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ (2,448,992)</u>	<u>\$ (4,148,992)</u>	<u>\$ 2,418,423</u>	<u>\$ 6,567,415</u>

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## **OTHER SUPPLEMENTARY INFORMATION**

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## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Special Revenue funds are used to account for specific revenues that are legally restricted to expenditures for a particular purpose.

Regional Training Facility - accounts for the normal recurring activities of the police training facility.

Grants and Donations Fund - accounts for federal and other grant programs.

Community Development Block Grant - accounts for the proceeds of entitlement grants received from the Department of Housing and Urban Development.

Community Disaster Loan Fund - allows the city to carry on existing governmental functions of a municipal operating character or to expand such functions to meet disaster related needs. During the current year, there was no financial activity in this fund.

DISA Fund - accounts for revenues earned through the lease of a City-owned building which are used for the upkeep and maintenance of the building.

### **CAPITAL PROJECTS FUNDS**

Capital Projects funds account for the purchase, construction and renovation of the City's major capital facilities. Their resources are derived principally from proceeds of general obligation or sales tax bonds, certificates of indebtedness and U.S. Government and other agencies grants.

City Capital Construction Fund - was established to account for monies received from an outside agency and proceeds from the sales of City property.

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**CITY OF SLIDELL, LOUISIANA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2008**

	Special Revenue				Debt Service		Capital Projects		Total
	Regional Training Facility	Community Development Block Grant	Grants and Donations	DISA	Total	Debt Service	City Capital Construction	Nonmajor Governmental Funds	
<b>ASSETS</b>									
Current assets									
Investments	\$ 1,500	-	\$ -	\$ -	\$ 77,117	\$ 1,221,627	\$ -	\$ -	\$ 1,221,627
Other receivables									77,117
Due from other governments									
U.S. Government	-	26,326	439,669	-	465,995	-	-	-	465,995
State of Louisiana	-	-	34,156	-	34,156	-	-	-	34,156
Local entities	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	10,105	-	10,105	-	-	-	10,105
Due from general fund	-	-	-	1,506,271	1,506,271	45,957	23,203	-	1,575,431
Due from other funds	124,550	-	698,990	-	823,540	-	-	-	823,540
Restricted assets:									
Cash	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 126,050</b>	<b>\$ 26,326</b>	<b>\$ 1,182,920</b>	<b>\$ 1,581,888</b>	<b>\$ 2,917,184</b>	<b>\$ 1,267,584</b>	<b>\$ 23,203</b>	<b>\$ -</b>	<b>\$ 4,207,971</b>

**LIABILITIES AND FUND BALANCES**

Liabilities:									
Accounts payable and accrued expenditures	\$ 6,510	\$ 25,521	1,067,085	\$ 150,970	\$ 1,250,086	\$ -	\$ -	\$ -	\$ 1,250,086
Due to other funds	-	805	-	-	805	-	-	-	805
<b>Total Liabilities</b>	<b>6,510</b>	<b>26,326</b>	<b>1,067,085</b>	<b>150,970</b>	<b>1,250,891</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,250,891</b>
<b>Fund balances</b>									
Reserved:									
Debt Service	-	-	-	-	-	1,267,584	-	-	1,267,584
Grants	-	-	90,000	-	90,000	-	-	-	90,000
Unreserved:									
Designated for									
Training Academy	119,540	-	-	-	119,540	-	-	-	119,540
Capital Outlay	-	-	-	1,946	1,946	-	23,203	-	25,149
Contingencies	-	-	-	500,363	500,363	-	-	-	500,363
Unreserved, undesignated	-	-	25,835	928,609	954,444	-	-	-	954,444
<b>Total Fund Balances</b>	<b>119,540</b>	<b>-</b>	<b>115,835</b>	<b>1,430,918</b>	<b>1,666,293</b>	<b>1,267,584</b>	<b>23,203</b>	<b>-</b>	<b>2,957,080</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 126,050</b>	<b>\$ 26,326</b>	<b>\$ 1,182,920</b>	<b>\$ 1,581,888</b>	<b>\$ 2,917,184</b>	<b>\$ 1,267,584</b>	<b>\$ 23,203</b>	<b>\$ -</b>	<b>\$ 4,207,971</b>

**CITY OF SLIDELL, LOUISIANA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2008**

	Special Revenue			Debt Service		Capital Projects	Total
	Regional Training Facility	Community Development Block Grant	Grants and Donations	DISA	Total	City Capital Construction	Nonmajor Governmental Funds
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,342,893
Intergovernmental revenues							
Federal/state grants	4,350	199,141	1,235,455	-	1,438,946	-	1,438,946
Service charges	55,200	-	-	2,183,654	2,238,854	-	2,238,854
Other revenues, primarily interest and tuition	-	-	-	-	-	50,734	50,734
Contributions	-	-	183,647	-	183,647	-	183,647
<b>Total Revenues</b>	<b>59,550</b>	<b>199,141</b>	<b>1,419,102</b>	<b>2,183,654</b>	<b>3,861,447</b>	<b>1,393,627</b>	<b>5,255,074</b>
<b>EXPENDITURES</b>							
General government	343,864	1,339	54,481	992,045	1,391,729	-	1,391,729
Public works	-	-	22,525	-	22,525	-	22,525
Public safety	-	-	255,941	-	255,941	-	255,941
Recreation and culture	-	-	233,022	-	233,022	-	233,022
Debt Service:							
Principal retirement	-	-	-	-	-	2,598,600	2,598,600
Interest and Fiscal charges	-	-	-	-	-	634,911	634,911
Capital outlay	-	197,802	855,381	11,054	1,064,237	63,708	1,127,945
<b>Total Expenditures</b>	<b>343,864</b>	<b>199,141</b>	<b>1,421,350</b>	<b>1,003,099</b>	<b>2,967,454</b>	<b>3,233,511</b>	<b>6,264,673</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(284,314)</b>	<b>-</b>	<b>(2,248)</b>	<b>1,180,555</b>	<b>893,993</b>	<b>(63,708)</b>	<b>(1,009,599)</b>
<b>OTHER FINANCING SOURCES</b>							
Transfers in	296,686	-	97,100	-	393,786	1,892,109	2,285,895
<b>Total Other Financing Sources</b>	<b>\$ 296,686</b>	<b>\$ -</b>	<b>\$ 97,100</b>	<b>\$ -</b>	<b>\$ 393,786</b>	<b>\$ 1,892,109</b>	<b>\$ 2,285,895</b>

(continued)

**CITY OF SLIDELL, LOUISIANA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**For the Year Ended June 30, 2008**

	Regional Training Facility	Community Development Block Grant	Special Revenue			Debt Service	Capital Projects	Total Nonmajor Governmental Funds
			Grants and Donations	DISA	Total			
Net Change in Fund Balances	\$ 12,372	\$ -	\$ 94,852	\$ 1,180,555	\$ 1,287,779	\$ 52,225	\$ (63,708)	\$ 1,276,296
Fund Balances, Beginning of Year	107,168	-	20,983	250,363	378,514	1,215,359	86,911	1,680,784
Fund Balances, End of Year	\$ 119,540	\$ -	\$ 115,835	\$ 1,430,918	\$ 1,666,293	\$ 1,267,584	\$ 23,203	\$ 2,957,080

**CITY OF SLIDELL, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**REGIONAL TRAINING FACILITY FUND**  
**For the Year Ended June 30, 2008**

	Budgetary Amounts		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ -	\$ -	\$ 4,350	\$ 4,350
Service charges	60,000	60,000	55,200	(4,800)
Other revenues, primarily interest and tuition	-	-	-	-
Total Revenues	60,000	60,000	59,550	(450)
<b>Expenditures</b>				
General Government	356,686	368,686	343,864	24,822
Total Expenditures	356,686	368,686	343,864	24,822
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(296,686)	(308,686)	(284,314)	24,372
<b>Other Financing Sources</b>				
Transfers in	296,686	296,686	296,686	-
Total Other Financing Sources	296,686	296,686	296,686	-
<b>Net Change in Fund Balance</b>	-	(12,000)	12,372	24,372
<b>Fund Balance, Beginning of Year</b>	107,168	107,168	107,168	-
<b>Fund Balance, End of Year</b>	<u>\$ 107,168</u>	<u>\$ 95,168</u>	<u>\$ 119,540</u>	<u>\$ 24,372</u>

**CITY OF SLIDELL, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**  
**For the Year Ended June 30, 2008**

	<u>Budgetary Amounts</u>		<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental revenues	<u>\$ 234,000</u>	<u>\$ 439,274</u>	<u>\$ 199,141</u>	<u>\$ (240,133)</u>
Total Revenues	<u>234,000</u>	<u>439,274</u>	<u>199,141</u>	<u>(240,133)</u>
<b>Expenditures</b>				
General government	<u>11,000</u>	<u>10,595</u>	<u>1,339</u>	<u>9,256</u>
Capital Outlay	<u>223,000</u>	<u>428,679</u>	<u>197,802</u>	<u>230,877</u>
Total Expenditures	<u>234,000</u>	<u>439,274</u>	<u>199,141</u>	<u>240,133</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SLIDELL, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**GRANTS AND DONATIONS FUND**  
**For the Year Ended June 30, 2008**

	Budgetary Amounts		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ -	\$ 1,500,214	\$ 1,235,455	\$ (264,759)
Contributions	-	919,933	183,647	(736,286)
<b>Total Revenues</b>	-	2,420,147	1,419,102	(1,001,045)
<b>Expenditures</b>				
General government	-	978,682	54,481	924,201
Public Works	-	26,781	22,525	4,256
Public Safety	-	382,338	255,941	126,397
Recreation and culture	-	90,122	233,022	(142,900)
Capital Outlay	-	1,039,324	855,381	183,943
<b>Total Expenditures</b>	-	2,517,247	1,421,350	1,095,897
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	-	(97,100)	(2,248)	94,852
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	97,100	97,100	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	97,100	97,100	-
<b>Net Change in Fund Balance</b>	-	-	94,852	94,852
<b>Fund Balance, Beginning of Year</b>	20,983	20,983	20,983	-
<b>Fund Balance, End of Year</b>	<u>\$ 20,983</u>	<u>\$ 20,983</u>	<u>\$ 115,835</u>	<u>\$ 94,852</u>

**CITY OF SLIDELL, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**DISA FUND**  
**For the Year Ended June 30, 2008**

	Budgetary Amounts		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Service charges	\$ 780,000	\$ 1,283,000	\$ 2,183,654	\$ 900,654
<b>Total Revenues</b>	<u>780,000</u>	<u>1,283,000</u>	<u>2,183,654</u>	<u>900,654</u>
<b>Expenditures</b>				
General government	780,000	1,020,000	992,045	27,955
Capital Outlay	-	513,363	11,054	502,309
<b>Total Expenditures</b>	<u>780,000</u>	<u>1,533,363</u>	<u>1,003,099</u>	<u>(530,264)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>(250,363)</u>	<u>1,180,555</u>	<u>1,430,918</u>
<b>Other Financing Sources</b>				
Transfers in	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>(250,363)</u>	<u>1,180,555</u>	<u>1,430,918</u>
<b>Fund Balance, Beginning of Year</b>	<u>250,363</u>	<u>250,363</u>	<u>250,363</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 250,363</u>	<u>\$ -</u>	<u>\$ 1,430,918</u>	<u>\$ 1,430,918</u>

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## **FIDUCIARY FUNDS**

### **AGENCY FUNDS**

*Agency funds are used to account for assets held by the government as an agent for individuals, private organizations and/or other funds.*

Christmas Under the Stars Fund - This fund is used to promote Christmas programs.

Animal Assistance League of Slidell - This fund is used for the care and protection of stray animals.

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**CITY OF SLIDELL, LOUISIANA**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**June 30, 2008**

	Agency Funds		
	Christmas Under The Stars	Animal Assistance League of Slidell	Total
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 1,050	\$ 1,050
Restricted cash	-	123,205	123,205
Due from General Fund	-	54,314	54,314
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 178,569</b>	<b>\$ 178,569</b>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 1,495	\$ 1,495
Due to other funds	-	-	-
Due to local entities	-	177,074	177,074
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ 178,569</b>	<b>\$ 178,569</b>

**CITY OF SLIDELL, LOUISIANA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**For the Year Ended June 30, 2008**

CHRISTMAS UNDER THE STARS				
	BALANCE JULY 1, 2007	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2008
<b>Assets</b>				
Due from General Fund	\$ -	\$ 1,100	\$ 1,100	\$ -
Total assets	<u>\$ -</u>	<u>\$ 1,100</u>	<u>\$ 1,100</u>	<u>\$ -</u>
<b>Liabilities</b>				
Due to other funds	\$ -	\$ 1,100	\$ 1,100	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 1,100</u>	<u>\$ 1,100</u>	<u>\$ -</u>

ANIMAL ASSISTANCE LEAGUE OF SLIDELL				
	BALANCE JULY 1, 2007	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2008
<b>Assets</b>				
Cash and cash equivalents	\$ 1,050	\$ -	\$ -	\$ 1,050
Restricted cash	113,464	9,741	-	123,205
Due from General Fund	55,097	-	783	54,314
<b>Total assets</b>	<u>\$ 169,611</u>	<u>\$ 9,741</u>	<u>\$ 783</u>	<u>\$ 178,569</u>
<b>Liabilities</b>				
Accounts payable	\$ 1,733	\$ -	\$ 238	\$ 1,495
Due to local entities	167,878	72,776	63,580	177,074
<b>Total liabilities</b>	<u>\$ 169,611</u>	<u>\$ 72,776</u>	<u>\$ 63,818</u>	<u>\$ 178,569</u>

	TOTAL AGENCY FUNDS			
	BALANCE JULY 1, 2007	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2008
Assets				
Cash and cash equivalents	\$ 1,050	\$ -	\$ -	\$ 1,050
Restricted cash	113,464	9,741	-	123,205
Due from General Fund	55,097	1,100	1,883	54,314
Total assets	\$ 169,611	\$ 10,841	\$ 1,883	\$ 178,569
Liabilities				
Accounts payable	\$ 1,733	\$ -	\$ 238	\$ 1,495
Due to other funds	-	1,100	1,100	-
Due to local entities	167,878	72,776	63,580	177,074
Total liabilities	\$ 169,611	\$ 73,876	\$ 64,918	\$ 178,569

## **SUPPORTING SCHEDULES**

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**CITY OF SLIDELL, LOUISIANA  
GENERAL FUND**

**SCHEDULE OF FUNCTIONAL EXPENDITURES BY DEPARTMENT (BUDGETARY BASIS)  
YEAR ENDED JUNE 30, 2008**

**SCHEDULE 1**

	Salaries, Wages and Related Benefits	Contract Services	Supplies and Materials	Equipment	911	Community Service	Legal Fees and Claims	Other	Total
ADMINISTRATIVE	\$ 510,683	\$ 31,401	\$ 10,099	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 552,183
FINANCE	515,737	27,083	26,654	3,307	-	-	-	-	572,781
LEGAL	184,580	24,878	2,878	218	-	-	190,000	-	402,554
DATA PROCESSING	231,548	(590)	53,119	503	-	-	-	-	284,580
PURCHASING	266,045	4,221	9,300	381	-	-	-	-	279,947
CIVIL SERVICE	175,086	39,698	16,467	219	-	-	-	-	231,470
LEGISLATIVE	429,762	108,401	13,336	-	-	-	-	-	551,499
RISK MANAGEMENT	975,411	26,940	5,954	1,074	-	61,000	-	-	1,070,379
PERMITS	630,547	101,092	17,216	465	-	-	-	-	749,320
PLANNING	256,128	8,972	6,507	438	-	-	-	833	272,878
POLICE	6,415,167	95,623	228,868	9,633	44,592	-	-	-	6,793,883
CITY MARSHALL	89,608	12,000	2,000	-	-	-	-	-	103,608
CITY COURT	94,038	-	4,455	4,364	-	-	-	-	102,857
CITY PROSECUTOR	75,823	37,537	1,703	-	-	-	-	-	115,063
<b>TOTAL EXPENDITURES</b>	<b>\$ 10,850,163</b>	<b>\$ 517,256</b>	<b>\$ 398,556</b>	<b>\$ 20,602</b>	<b>\$ 44,592</b>	<b>\$ 61,000</b>	<b>\$ 190,000</b>	<b>\$ 833</b>	<b>\$ 12,083,002</b>

**CITY OF SLIDELL, LOUISIANA**  
**SALES TAX FUND**  
**SCHEDULE OF FUNCTIONAL EXPENDITURES BY DEPARTMENT (BUDGETARY BASIS)**  
**YEAR ENDED JUNE 30, 2008**

**SCHEDULE 2**

	Salaries, Wages and Related Benefits	Contract Services	Supplies and Materials	Equipment	Museum/ Arts Evening	Heritage Festival	Total
ADMINISTRATIVE	\$ 627,962	\$ 2,158,445	\$ 8,131	\$ -	\$ -	\$ -	\$ 2,794,538
ARTS COUNCIL	174,717	42,116	14,460	1,246	49,823	-	282,362
STREETS, BRIDGES AND DRAINAGE	2,021,612	95,620	572,741	7,559	-	-	2,697,532
ENGINEERING	460,286	26,213	17,258	1,120	-	-	504,877
ELECTRICAL	207,602	1,999	10,031	431	-	-	220,063
CORRECTIONS FACILITY	770,612	25,833	60,848	289	-	-	857,582
GENERAL MAINTENANCE	293,309	36,014	66,230	11,883	-	-	407,436
VEHICLE MAINTENANCE	383,563	16,580	400,452	11,953	-	-	812,548
PARKS AND RECREATION	795,861	119,531	187,810	2,365		5,000	1,110,567
ANIMAL CONTROL	388,056	4,462	14,958	-	-	-	407,476
TOTAL EXPENDITURES	<u>\$ 6,123,580</u>	<u>\$ 2,526,813</u>	<u>\$ 1,352,919</u>	<u>\$ 36,846</u>	<u>\$ 49,823</u>	<u>\$ 5,000</u>	<u>\$ 10,094,981</u>

**CITY OF SLIDELL, LOUISIANA**  
**SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**YEAR ENDED JUNE 30, 2008**

**SCHEDULE 3**

DESCRIPTION	STATE GRANT NUMBER	PROGRAM/ GRANT AWARD	DISBURSEMENTS/ OTHER EXPENDITURES
<b>DEPARTMENT OF CULTURE, RECREATION, AND TOURISM</b>			
Office of Cultural Development Subgrant through St. Tammany Arts Commission			
Brown Bag	DF07-01-52-019	\$ 3,550	\$ 3,550
Decentralized Arts Funding	DF-08-018	17,000	16,100
Subgrant through St. Tammany Parish Tourist and Convention Commission			
Auditorium Equipment Purchases	-	25,377	25,354
<b>TOTAL DEPARTMENT OF CULTURE, RECREATION AND TOURISM</b>			<u>45,004</u>
<b>DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT</b>			
Office of Public Works Maintenance Division			
Highway Maintenance Grant	737-08-12	16,040	16,040
Maintenance Assistance Reimbursement for Airport	977-99-0118	6,170	6,170
<b>TOTAL DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT</b>			<u>22,210</u>
<b>OFFICE OF THE GOVERNOR</b>			
Louisiana Commission on Law Enforcement and Administration of Criminal Justice			
Critical Incident Response	L81-8-004	37,500	37,500
Training Academy			4,350
<b>TOTAL OFFICE OF THE GOVERNOR</b>			<u>41,850</u>
<b>DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS</b>			
Public Safety Services of the State of Louisiana			
Building Safety: Software and Hardware	-	50,000	40,993
<b>TOTAL DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS</b>			<u>40,993</u>
<b>DIVISION OF ADMINISTRATION</b>			
Office of Community Development			
LGAP - Vehicles	0607-STT-0701	32,800	31,163
<b>TOTAL DIVISION OF ADMINISTRATION</b>			<u>31,163</u>
<b>TOTAL STATE GRANTS</b>			<u>\$ 181,220</u>

**CITY OF SLIDELL, LOUISIANA**  
**SCHEDULE OF COUNCILPERSONS' COMPENSATION**  
**YEAR ENDED JUNE 30, 2008**

**SCHEDULE 4**

<u>COUNCILPERSON</u>	<u>COMPENSATION</u>
L. Landon Cusimano	\$ 10,416
Lionel Hicks	18,750
Richard S. Hursey, Jr.	18,750
Warren Crockett	18,750
Joe Fraught	18,750
Raymond H. Canada	18,750
Kim Baronet Harbison	18,750
Bill Borchert	8,593
George S. Cromer	10,156
Kevin Kingston	18,750

## STATISTICAL SECTION

This part of the City of Slidell's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

### **Contents**

### **Tables**

#### **Financial Trends**

1 - 5

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

#### **Revenue Capacity**

6 - 9

These schedules contain information to help the reader assess the City's property tax.

#### **Debt Capacity**

11 - 14

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the city's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

15 - 16

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

#### **Operating Information**

17 - 19

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in fiscal year 2003; tables presenting government-wide information include information beginning in that year.

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**CITY OF SLIDELL, LOUISIANA**  
**NET ASSETS BY COMPONENT**  
**LAST FIVE FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

**TABLE 1**

	Fiscal Year			
	2004	2005	2006	2007
				2008
<b>Governmental Activities</b>				
Invested in capital assets, net of related debt	\$ 34,998,713	\$ 37,065,062	\$ 37,365,203	\$ 42,037,827
Restricted	5,123,054	4,710,372	4,546,505	4,252,595
Unrestricted	4,847,502	4,668,936	8,643,415	9,016,103
Total governmental activities net assets	<u>\$ 44,969,269</u>	<u>\$ 46,444,370</u>	<u>\$ 50,555,123</u>	<u>\$ 55,306,525</u>
<b>Business-Type Activities</b>				
Invested in capital assets, net of related debt	\$ 36,642,412	\$ 38,715,846	\$ 39,917,678	\$ 41,218,252
Restricted	979,591	1,055,470	1,028,200	1,094,221
Unrestricted	2,516,896	2,544,072	4,724,879	3,590,748
Total business-type activities net assets	<u>\$ 40,138,899</u>	<u>\$ 42,315,388</u>	<u>\$ 45,670,757</u>	<u>\$ 45,903,221</u>
<b>Primary Government</b>				
Invested in capital assets, net of related debt	\$ 71,641,125	\$ 75,780,908	\$ 77,282,881	\$ 83,256,079
Restricted	6,102,645	5,765,842	5,574,705	5,346,816
Unrestricted	7,364,398	7,213,008	13,368,294	12,606,851
Total primary government net assets	<u>\$ 85,108,168</u>	<u>\$ 88,759,758</u>	<u>\$ 96,225,880</u>	<u>\$ 101,209,746</u>
				<u>\$ 116,668,715</u>

**CITY OF SLIDELL, LOUISIANA  
CHANGES IN NET ASSETS  
LAST FIVE FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

**TABLE 2**

Expenses	Fiscal Year				
	2004	2005	2006	2007	2008
<b>Governmental activities:</b>					
General government	\$ 6,322,104	\$ 6,779,783	\$ 7,018,624	\$ 8,078,341	\$ 9,076,962
Public works	10,410,764	11,488,260	20,579,939	13,893,261	11,366,623
Public safety	7,499,503	7,901,314	12,213,647	9,836,342	10,075,755
Recreation and culture	1,357,411	1,408,873	1,525,241	1,996,220	2,116,497
Judicial system	315,101	307,130	288,135	331,533	352,926
Interest on long-term debt	1,030,419	1,013,468	897,645	921,160	819,182
Total governmental activities expenses	<u>26,935,302</u>	<u>28,898,828</u>	<u>42,523,231</u>	<u>35,056,857</u>	<u>33,807,945</u>
<b>Business-type activities:</b>					
Utilities	8,189,430	8,113,782	8,356,282	8,932,260	8,914,670
Airport	282,828	416,260	456,779	517,110	581,366
Total business-type activities expenses	<u>8,472,258</u>	<u>8,530,042</u>	<u>8,813,061</u>	<u>9,449,370</u>	<u>9,496,036</u>
Total primary government expenses	<u>\$ 35,407,560</u>	<u>\$ 37,428,870</u>	<u>\$ 51,336,292</u>	<u>\$ 44,506,227</u>	<u>\$ 43,303,981</u>
<b>Program Revenues</b>					
<b>Governmental activities:</b>					
Charges for services:					
General government	\$ 2,337,018	\$ 2,078,466	\$ 1,736,424	\$ 2,231,265	\$ 4,257,489
Public works	290,598	315,598	606,112	610,881	459,014
Public safety	315,250	350,433	372,520	522,197	1,080,721
Recreation and culture	78,014	69,030	29,832	18,310	20,010
Judicial system	8,727	12,020	7,414	9,701	12,799
Operating grants and contribution					
General government	65,158	42,257	300,096	281,505	315,006
Public works	-	114,440	8,862,393	1,758,518	1,527,622
Public safety	381,526	341,841	6,324,254	276,773	1,685,409
Recreation and culture	-	-	2,000	31,400	142,564
Judicial system	15,119	-	-	-	-
Capital grants and contributions					
General government	-	838	-	-	51,976
Public works	3,824,763	2,709,516	4,219,647	3,155,097	9,953,231
Public safety	117,165	71,728	107,398	497,159	1,233,775
Recreation and culture	-	38,859	5,000	54,613	65,808
Judicial system	-	-	3,077	-	-
Total governmental activities program revenues	<u>7,433,338</u>	<u>6,145,026</u>	<u>22,576,167</u>	<u>9,447,419</u>	<u>20,805,424</u>
<b>Business-type activities:</b>					
Charges for services:					
Utilities	7,307,742	7,561,710	6,501,273	7,811,524	8,140,057
Airport	41,288	55,891	38,036	41,072	100,163
Capital grants and contributions					
Utilities	309,640	674,187	1,141,311	1,194,808	227,484
Airport	367,619	1,176,833	1,834,709	533,739	410,721
Total business-type activities program revenues	<u>8,026,289</u>	<u>9,468,621</u>	<u>9,515,329</u>	<u>9,581,143</u>	<u>8,878,425</u>
Total primary government program revenues	<u>\$ 15,459,627</u>	<u>\$ 15,613,647</u>	<u>\$ 32,091,496</u>	<u>\$ 19,028,562</u>	<u>\$ 29,683,849</u>
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (19,501,964)	\$ (22,753,802)	\$ (19,947,064)	\$ (25,609,438)	\$ (13,002,521)
Business-type activities	(445,969)	938,579	702,268	131,773	(617,611)
Total primary government net expense	<u>\$ (19,947,933)</u>	<u>\$ (21,815,223)</u>	<u>\$ (19,244,796)</u>	<u>\$ (25,477,665)</u>	<u>\$ (13,620,132)</u>

(continued)

**CITY OF SLIDELL, LOUISIANA**  
**CHANGES IN NET ASSETS**  
**LAST FIVE FISCAL YEARS - CONTINUED**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

**TABLE 2**

	Fiscal Year				
	2004	2005	2006	2007	2008
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Taxes:					
Ad valorem	\$ 3,491,884	\$ 3,718,279	\$ 3,004,230	\$ 3,227,268	\$ 3,391,577
Sales and use	17,387,481	18,093,876	23,569,352	22,610,447	21,130,329
Franchise	1,500,117	1,593,815	1,612,976	1,826,061	2,000,835
Beer and tobacco	76,643	68,401	113,345	88,434	106,212
Investment earnings	125,678	283,569	623,732	816,927	827,026
Miscellaneous	208,767	120,879	42,289	293,452	91,331
Transfers	(187,343)	350,084	(2,178,341)	1,498,251	346,577
Total governmental activities	<u>22,603,227</u>	<u>24,228,903</u>	<u>26,787,583</u>	<u>30,360,840</u>	<u>27,893,887</u>
Business-type activities:					
Taxes:					
Ad valorem	1,445,914	1,541,928	1,327,884	1,426,468	1,445,932
Investment earnings	15,000	46,066	142,607	163,425	77,540
Miscellaneous	-	-	-	9,049	8,319
Transfers	187,343	(350,084)	2,178,341	(1,498,251)	(346,577)
Total business-type activities	<u>1,648,257</u>	<u>1,237,910</u>	<u>3,648,832</u>	<u>100,691</u>	<u>1,185,214</u>
Total primary government	<u>\$ 24,251,484</u>	<u>\$ 25,466,813</u>	<u>\$ 30,436,415</u>	<u>\$ 30,461,531</u>	<u>\$ 29,079,101</u>
<b>Changes in Net Assets</b>					
Governmental activities	\$ 3,101,263	\$ 1,475,101	\$ 6,840,519	\$ 4,751,402	\$ 14,891,366
Business-type activities	1,202,288	2,176,489	4,351,100	232,464	567,603
Total primary government	<u>\$ 4,303,551</u>	<u>\$ 3,651,590</u>	<u>\$ 11,191,619</u>	<u>\$ 4,983,866</u>	<u>\$ 15,458,969</u>

**CITY OF SLIDELL, LOUISIANA  
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

**TABLE 3**

<u>Fiscal Year</u>	<u>Sales Tax</u>	<u>Property Tax</u>	<u>Franchise Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Total</u>
1999	\$ 12,394,359	\$ 2,979,772	\$ 1,114,443	\$ 88,351	\$ 16,576,925
2000	14,042,332	3,138,045	1,160,909	79,769	18,421,055
2001	15,227,530	3,163,879	1,429,457	67,650	19,888,516
2002	15,773,809	3,197,520	1,280,329	66,218	20,317,876
2003	16,179,798	3,403,820	1,402,415	98,955	21,084,988
2004	17,387,481	3,491,884	1,500,117	76,643	22,456,125
2005	18,093,876	3,718,279	1,593,815	68,401	23,474,371
2006	23,569,352	3,004,230	1,612,976	113,345	28,299,904
2007	22,610,447	3,227,268	1,826,061	88,434	27,752,209
2008	21,462,664	3,391,577	1,444,166	50,831	26,349,238

**CITY OF SLIDELL, LOUISIANA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

**TABLE 4**

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General fund										
Reserved	\$ 640,710	\$ 712,527	\$ 719,337	\$ 832,957	\$ 928,537	\$ 467,219	\$1,060,839	\$1,445,750	\$ 1,579,433	\$ 1,613,325
Unreserved	1,256,735	1,448,772	1,167,828	763,770	2,237,456	2,783,512	2,223,158	3,431,007	3,164,832	3,524,088
Total general fund	<u>\$ 1,897,445</u>	<u>\$ 2,161,299</u>	<u>\$ 1,887,165</u>	<u>\$1,596,727</u>	<u>\$3,165,993</u>	<u>\$3,250,731</u>	<u>\$3,283,997</u>	<u>\$4,876,757</u>	<u>\$ 4,744,265</u>	<u>\$ 5,137,413</u>
All other governmental funds										
Reserved	\$ 4,124,102	\$ 4,068,567	\$ 4,103,816	\$4,073,711	\$4,157,525	\$3,888,109	\$3,687,572	\$3,419,424	\$ 3,359,780	\$ 3,402,614
Unreserved, reported in:										
Special revenue funds	4,066,897	5,211,408	4,524,662	4,310,728	3,773,106	4,443,627	4,887,773	2,494,713	7,207,873	14,230,778
Capital projects funds	2,645,072	1,840,169	769,122	(309,424)	219	1,126,245	600,207	173,154	86,911	23,203
Total all other governmental funds	<u>\$10,836,071</u>	<u>\$11,120,144</u>	<u>\$ 9,397,600</u>	<u>\$8,075,015</u>	<u>\$7,930,850</u>	<u>\$9,457,981</u>	<u>\$9,175,552</u>	<u>\$6,087,291</u>	<u>\$10,654,564</u>	<u>\$17,656,595</u>

**CITY OF SLIDELL, LOUISIANA**  
**CHANGES IN FUNDS BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

**TABLE 5**

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Taxes and assessments	\$ 16,488,574	\$ 13,341,286	\$ 19,820,866	\$ 20,251,659	\$ 20,986,033	\$ 22,379,482	\$ 23,405,970	\$ 28,186,558	\$ 27,663,785	\$ 26,522,742
Licenses and permits	1,589,968	1,512,584	1,674,742	1,647,186	1,832,260	1,936,449	1,976,248	2,236,326	2,480,141	2,344,813
Intergovernmental revenue	2,245,732	1,482,266	2,077,652	3,272,743	3,079,761	3,912,303	3,008,459	10,833,265	7,066,740	10,937,074
Payment in lieu of taxes	434,953	460,235	470,000	470,000	490,000	530,000	-	-	-	-
Fines and forfeitures	198,638	240,993	235,957	194,445	166,709	205,600	190,920	203,239	260,761	503,042
Lease revenues and other service charges	-	-	-	-	-	-	-	-	257,557	2,518,564
Contributions	-	-	-	-	55,998	57,356	44,310	210,010	220,795	183,647
Other revenues, primarily interest and tuition	917,269	1,253,871	1,251,761	525,844	426,358	542,437	882,789	856,869	1,189,007	1,015,615
<b>Total revenues</b>	<b>\$ 21,875,134</b>	<b>\$ 23,291,235</b>	<b>\$ 25,530,978</b>	<b>\$ 26,361,877</b>	<b>\$ 27,037,119</b>	<b>\$ 29,563,827</b>	<b>\$ 29,508,696</b>	<b>\$ 42,525,267</b>	<b>\$ 39,138,778</b>	<b>\$ 44,025,497</b>
<b>Expenditures</b>										
<b>Current:</b>										
General government	\$ 4,277,532	\$ 4,435,706	\$ 4,889,903	\$ 4,959,457	\$ 5,450,424	\$ 5,867,467	\$ 6,317,924	\$ 6,834,294	\$ 7,664,351	\$ 8,355,382
Public works	2,955,073	3,221,894	3,488,359	3,792,062	4,418,607	4,758,177	5,312,537	11,561,473	7,378,793	6,205,252
Public safety	4,950,889	5,012,286	5,343,121	5,584,798	6,039,456	6,493,685	6,938,466	11,387,959	8,997,321	9,252,271
Recreation and culture	983,108	1,044,778	1,119,537	868,837	832,994	925,935	973,301	1,228,864	1,554,022	1,664,041
Judicial system	303,369	209,797	233,428	233,380	256,934	265,519	266,995	288,039	296,852	321,528
Debt service:										
Principal	2,338,092	2,481,122	2,396,500	2,595,976	2,840,060	9,337,575	3,430,315	3,002,703	2,987,600	2,727,165
Interest	2,051,575	1,896,645	1,758,757	1,671,527	1,580,337	1,001,094	989,620	839,454	738,698	676,843
Other charges	27,492	27,761	21,282	19,290	-	358,037	123,105	-	-	-
Capital outlay	3,765,631	4,231,024	9,697,475	10,069,135	6,397,449	6,206,146	5,935,203	9,586,819	7,598,247	7,774,413
<b>Total expenditures</b>	<b>\$ 21,652,761</b>	<b>\$ 22,561,013</b>	<b>\$ 28,948,362</b>	<b>\$ 29,794,462</b>	<b>\$ 27,816,261</b>	<b>\$ 35,213,635</b>	<b>\$ 30,287,486</b>	<b>\$ 44,729,605</b>	<b>\$ 37,215,884</b>	<b>\$ 36,976,895</b>
<b>Excess of revenues over (under) expenditures</b>	<b>222,373</b>	<b>730,222</b>	<b>(3,417,384)</b>	<b>(3,432,585)</b>	<b>(779,142)</b>	<b>(5,649,808)</b>	<b>(778,790)</b>	<b>(2,204,338)</b>	<b>1,922,894</b>	<b>7,048,602</b>
<b>Other financing sources (uses)</b>										
Transfers in	\$ 5,368,112	\$ 5,767,043	\$ 5,594,440	\$ 6,405,071	\$ 7,534,048	\$ 11,875,064	\$ 7,292,329	\$ 7,672,564	\$ 10,405,460	\$ 6,738,738
Transfers out	(5,459,107)	(5,879,422)	(5,747,270)	(7,009,975)	(7,684,639)	(12,062,407)	(6,942,245)	(9,850,905)	(8,907,209)	(6,352,161)
Proceeds from the sale of capital assets	619,219	-	-	17,917	-	29,381	86,843	-	-	-
Premium on bonds sold	-	-	-	-	-	183,651	21,231	-	-	-
Discount on bonds sold	-	-	-	-	-	(5,103)	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	(10,400,209)	(6,208,931)	-	-	-
Issuance of debt	-	-	-	-	-	17,641,000	6,280,400	-	-	-
Proceeds from insurance	-	-	-	-	-	-	-	887,178	1,013,636	-
Loan proceeds	-	-	1,643,451	2,650,000	748,600	-	-	2,000,000	-	-
Capital leases	238,734	(69,916)	(69,916)	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>766,958</b>	<b>(182,295)</b>	<b>1,420,705</b>	<b>2,063,013</b>	<b>598,009</b>	<b>7,261,377</b>	<b>529,637</b>	<b>708,837</b>	<b>2,511,887</b>	<b>346,577</b>
<b>Net change in fund balances</b>	<b>\$ 989,331</b>	<b>\$ 547,927</b>	<b>\$ (1,996,679)</b>	<b>\$ (1,369,572)</b>	<b>\$ (181,133)</b>	<b>\$ 1,611,569</b>	<b>\$ (249,163)</b>	<b>\$ (1,495,501)</b>	<b>\$ 4,434,781</b>	<b>\$ 7,395,179</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>24.69%</b>	<b>24.03%</b>	<b>21.70%</b>	<b>21.73%</b>	<b>20.64%</b>	<b>36.88%</b>	<b>18.66%</b>	<b>10.93%</b>	<b>11.88%</b>	<b>10.98%</b>

**CITY OF SLIDELL, LOUISIANA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

**TABLE 6**

Fiscal Year	Real Property		Commercial Personal Property		Public Service Property		Railroad Stock		Total		Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
1999	\$ 76,394,169	\$ 763,941,690	\$ 29,109,480	\$ 194,063,200	\$ 8,893,402	\$ 59,289,347	\$ 36,500	\$ 243,333	\$ 114,433,551	\$ 1,017,537,570	36.62	11%
2000	78,125,925	781,239,250	31,310,877	208,739,180	9,673,123	64,487,487	36,880	245,867	119,146,805	1,054,731,784	36.25	11%
2001	86,826,746	868,267,460	34,897,593	232,650,620	10,086,142	67,240,947	28,720	191,467	131,839,201	1,168,350,494	34.79	11%
2002	87,924,495	879,244,950	34,426,150	229,507,667	10,370,023	69,133,487	126,190	841,267	132,846,858	1,178,727,371	34.64	11%
2003	92,611,245	926,112,450	37,106,374	247,375,827	11,333,002	75,553,347	18,940	126,267	141,069,561	1,249,167,891	34.58	11%
2004	98,695,584	986,955,840	41,714,103	278,094,020	11,041,472	73,609,813	23,610	157,400	151,474,769	1,338,817,073	34.15	11%
2005	115,100,578	1,151,005,780	44,963,551	299,757,007	11,406,435	76,042,900	35,790	238,600	171,506,354	1,527,044,287	31.59	11%
2006	96,017,323	960,173,230	43,868,931	292,459,540	11,447,881	76,319,207	48,030	320,200	151,382,165	1,329,272,177	30.21	11%
2007	101,540,780	1,015,407,800	39,724,153	264,827,687	11,569,868	77,132,453	64,900	432,667	152,899,701	1,357,800,607	30.21	11%
2008	104,096,168	1,040,961,680	45,282,932	301,886,213	12,495,807	83,305,380	77,570	517,133	161,952,477	1,426,570,407	30.98	11%

Total assessed value is based on the following percentages of estimated actual value:

Residential property	10%
Commercial property	15%
Public service property	15%
Railroad stock	15%

NOTE: Information is not available and/or is confidential regarding sales tax revenue.

**CITY OF SLIDELL, LOUISIANA  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

**TABLE 7**

Fiscal Year	City of Slidell			Parish			Overlapping Rates				Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total Parish Millage	School District				
							Operating Millage	Debt Service Millage	Total School Millage	Special Districts	
1999	24.24	12.38	36.62	30.16	-	30.16	61.20	25.90	87.10	40.99	194.87
2000	24.24	12.01	36.25	33.16	-	33.16	61.20	25.90	87.10	45.99	202.50
2001	24.17	10.62	34.79	32.38	-	32.38	61.20	25.90	87.10	45.94	200.21
2002	24.17	10.47	34.64	32.82	-	32.82	61.20	25.90	87.10	45.99	200.55
2003	24.17	10.41	34.58	32.82	-	32.82	61.20	25.90	87.10	45.99	200.49
2004	24.17	9.98	34.15	32.82	-	32.82	61.20	25.90	87.10	48.49	202.56
2005	22.38	9.21	31.59	27.71	-	27.71	50.69	23.90	74.59	47.02	180.91
2006	22.38	7.83	30.21	31.71	-	31.71	55.94	21.90	77.84	56.02	195.78
2007	22.38	7.83	30.21	34.05	-	34.05	55.94	21.90	77.84	56.34	198.44
2008	22.38	8.60	30.98	35.98	-	35.98	55.94	21.90	77.84	56.34	201.14

**CITY OF SLIDELL, LOUISIANA  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

**TABLE 8**

Taxpayer	2008			1999		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Central LA Electric Company	\$ 6,223,230	1	3.84%	\$ 3,562,750	3	3.11%
Bellsouth Telecommunications	4,799,010	2	2.96%	4,092,080	1	3.58%
Capital One Bank	2,957,460	3	1.83%			
Sizeler North Shore Limited	2,843,100	4	1.76%	2,600,460	4	2.27%
Nothshore Regional Med. Center	2,506,360	5	1.55%	1,555,070	8	1.36%
JP Morgan Chase Bank	2,179,790	6	1.35%	-	-	-
Wal Mart Realty Co	1,424,770	7	0.88%	-	-	-
Wal Mart Stores Inc	1,368,530	8	0.85%	1,465,120	9	1.28%
Sam's Club	1,355,010	9	0.84%	-	-	-
Pelican Pointe NE Limited Part	1,349,390	10	0.83%	-	-	-
First National Bank of Commerce	-	-	-	3,703,870	2	3.24%
McKesson Corp. Services	-	-	-	2,399,500	5	2.10%
Hibernia National Bank	-	-	-	1,645,800	6	1.44%
Healthcare Properties	-	-	-	1,583,110	7	1.38%
Maison Blanche, Inc	-	-	-	1,365,730	10	1.19%
<b>TOTALS</b>	<u><u>\$27,006,650</u></u>		<u><u>16.68%</u></u>	<u><u>\$23,973,490</u></u>		<u><u>20.95%</u></u>

**CITY OF SLIDELL, LOUISIANA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

**TABLE 9**

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections for Previous Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy *
1999	\$ 4,190,557	\$ 4,097,212	98%	-	\$ 4,097,212	98%
2000	4,319,072	4,283,952	99%	48,564	4,332,516	100%
2001	4,586,686	4,426,303	97%	13,606	4,439,909	97%
2002	4,601,815	4,485,907	97%	9,309	4,495,216	98%
2003	4,878,185	4,752,271	97%	36,342	4,788,613	98%
2004	5,172,863	4,904,306	95%	33,492	4,937,798	95%
2005	5,417,949	5,239,772	97%	20,435	5,260,207	97%
2006	4,573,255	4,305,820	94%	26,294	4,332,114	95%
2007	4,619,100	4,482,566	97%	171,171	4,653,737	101%
2008	5,017,288	4,781,614	95%	55,894	4,837,508	96%

\* Total collections include redemptions.

**CITY OF SLIDELL, LOUISIANA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

**TABLE 10**

Fiscal Year	Governmental Activities					Business - Type Activities					Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Sales Tax Revenue Bonds	Capital Leases	LCDA Excess Rev Bond	Certificate of Indebtedness	Community Disaster Loan	Utility Bonds	Equipment Leases	Certificate of Indebtedness				
1999	\$ 13,460,000	\$ 19,262,375	\$ 238,734	\$ -	\$ 2,764,123	\$ -	\$ 5,982,704	\$ -	\$ -	\$ 41,707,936	5.32%	\$ 1,461	
2000	12,765,000	18,120,375	184,681	-	2,120,000	-	5,747,704	48,372	-	38,986,132	5.13%	1,333	
2001	12,040,000	16,916,375	127,036	1,307,500	1,745,000	-	5,610,000	192,841	-	37,938,752	5.45%	1,495	
2002	11,275,000	15,635,375	65,560	3,869,000	1,345,000	-	5,350,000	145,179	-	37,685,114	4.91%	1,476	
2003	10,465,000	14,277,375	-	4,431,100	925,000	-	5,080,000	94,926	-	35,273,401	4.35%	1,389	
2004	9,690,748	12,754,267	1,375,000	4,401,900	-	-	4,850,937	41,940	-	33,114,792	3.88%	1,288	
2005	8,817,874	10,665,092	1,261,085	4,190,900	-	-	7,567,023	-	-	32,501,974	3.56%	1,251	
2006	7,797,700	9,100,917	1,142,482	3,941,800	-	2,000,000	7,682,980	-	-	31,665,879	3.86%	1,092	
2007	6,737,526	7,476,742	1,018,998	3,689,200	-	2,000,000	7,515,000	-	-	28,437,466	3.83%	981	
2008	5,642,382	6,282,567	890,432	3,425,600	-	2,000,000	7,020,000	-	1,971,000	27,231,981	3.76%	1,052	

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics, Table 15, for personal income and population data.

**CITY OF SLIDELL, LOUISIANA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

**TABLE 11**

<u>Fiscal Year</u>	<u>General Obligation Bonds (2)</u>	<u>Less: Amounts Available in Debt Service Fund (3)</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable (1) Value of Property</u>	<u>Per Capita (4)</u>
1999	\$ 13,460,000	\$ 1,046,010	\$ 12,413,990	1.22%	\$ 428
2000	12,765,000	1,117,103	11,647,897	1.10%	394
2001	12,040,000	1,140,580	10,899,420	0.96%	424
2002	11,275,000	1,144,313	10,130,687	0.87%	388
2003	10,465,000	1,212,656	9,252,344	0.75%	336
2004	9,695,000	1,277,292	8,417,708	0.65%	298
2005	8,920,000	1,429,599	7,490,401	0.50%	258
2006	7,890,000	1,276,223	6,613,777	0.51%	228
2007	6,820,000	1,215,359	5,604,641	0.41%	193
2008	5,720,000	1,215,359	4,504,641	0.32%	174

- (1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property, Table 6, for property value data.  
(2) Amount does not include special assessment, sales tax or revenue bonds.  
(3) Amount available for repayment of general obligation bonds.  
(4) The 1999 through 2000 and 2002 through 2008 population is based on Research Division, College of Administration and Business, Louisiana Tech University.  
The 2001 population is based on the 2000 U.S. census.

**CITY OF SLIDELL, LOUISIANA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2008**  
**(UNAUDITED)**

**TABLE 12**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
St. Tammany Parish	\$ 4,482,000	11%	\$ 493,020
St. Tammany Parish School Board	162,515,000	11%	<u>17,876,650</u>
Subtotal, overlapping debt			18,369,670
City of Slidell direct debt		100%	<u>5,720,000</u>
Total direct and overlapping debt			<u><u>\$ 24,089,670</u></u>

Source: St. Tammany Parish School Board officials and St. Tammany Parish Comprehensive Financial Annual Report.

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Slidell. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and, therefore, is responsible for repaying the debt of each overlapping government.

- (1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the Parish's taxable assessed value that is within the City's boundaries and dividing it by the Parish's total taxable assessed value.

**CITY OF SLIDELL, LOUISIANA**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

**TABLE 13**

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 40,051,743	\$ 41,701,382	\$ 44,925,873	\$ 45,756,497	\$ 48,547,942	\$ 50,854,637	\$ 58,657,493	\$ 52,117,538	\$ 53,514,895	\$ 55,525,341
Total net debt applicable to limit	(12,413,990)	(11,647,897)	(10,899,420)	(10,130,687)	(9,252,344)	(8,417,708)	(7,490,401)	(6,613,777)	(5,604,641)	(4,504,641)
Legal debt margin	\$ 27,637,753	\$ 30,053,485	\$ 34,026,453	\$ 35,625,810	\$ 39,295,598	\$ 42,436,929	\$ 49,737,493	\$ 45,503,761	\$ 47,910,254	\$ 51,020,700
Total net debt applicable to the limit as a percentage of debt limit	30.99%	27.93%	24.26%	22.14%	19.06%	16.55%	12.77%	12.69%	10.47%	8.11%

Legal debt margin calculation for fiscal year 2008

Assessed value	\$ 161,952,477
Debt Limit - 35% of \$158,643,832.47 (1)	\$ 55,525,341
Debt applicable to the limit:	
General obligation bonds	\$ 5,720,000
Less: Amount set aside for repayment of general obligation debt	(1,215,359)
Total net debt applicable to limit	4,504,641
Legal debt margin	\$ 51,020,700

(1) State law allows a maximum of 35% of assessed valuation for total bonded general obligation debt.

**CITY OF SLIDELL, LOUISIANA  
PLEDGED - REVENUE COVERAGE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

**TABLE 14**

Fiscal Year	Utility Revenue Bonds					
	Utility Charges and Other	Less: Operating Expenses (1)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
1999	\$ 6,313,017	\$ 5,308,336	\$ 1,004,681	\$ 225,000	\$ 239,378	2.16
2000	6,883,541	5,386,719	1,496,822	235,000	266,469	2.98
2001	7,184,163	5,729,002	1,455,161	243,176	259,045	2.90
2002	7,629,559	6,369,538	1,260,021	260,000	251,190	2.46
2003	8,535,693	5,890,080	2,645,613	270,000	240,470	5.18
2004	8,767,748	6,480,384	2,287,364	280,000	229,123	4.49
2005	9,144,704	6,314,018	2,830,686	445,000	250,332	4.07
2006	7,873,276	6,319,334	1,553,942	460,000	335,892	1.95
2007	9,374,437	6,704,387	2,670,050	480,000	335,742	3.27
2008	9,663,529	6,551,620	3,111,909	495,000	320,363	3.82

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Amount does not include depreciation.

**CITY OF SLIDELL AND ST. TAMMANY PARISH, LOUISIANA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

**TABLE 15**

Fiscal Year	City of Slidell Population (1)	St. Tammany Parish Population (2)	St. Tammany Parish Total Personal Income (2)	St. Tammany Parish Per Capita Personal Income (2)	Unemployment Rate (3)	City of Slidell School Enrollment (4)	Median Age (5)
1999	29,004	179,466	\$4,896,536,000	\$ 25,945	3.1%	32,567	*
2000	29,596	185,273	5,063,841,000	26,245	2.5%	32,312	36.3
2001	25,695	191,268	5,358,891,000	27,859	3.5%	32,502	*
2002	26,086	193,466	5,898,786,000	30,097	4.5%	32,870	*
2003	27,563	201,462	6,234,985,000	30,899	4.4%	34,463	*
2004	28,237	202,203	6,565,576,000	31,639	4.5%	35,214	*
2005	28,990	210,296	7,027,647,000	32,886	3.9%	36,169	36.8
2006	28,990	220,295	6,214,212,000	28,270	4.2%	34,728	*
2007	28,990	270,000	7,507,890,000	27,807	4.0%	35,294	37
2008	25,879	226,625	6,340,288,000	27,977	3.3%	35,523	36.7

NOTE: The City of Slidell is located within St. Tammany Parish.

\* Information not available / no current information

Sources:

- (1) 1999-2000 and 2002-2008 population is based on research Division, College of Administration and Business, Louisiana Tech University. 2001 population is based on the 2000 census.
- (2) 1999-2007 information is based on St. Tammany Economic Development Foundation. 2008 information is based on U.S. Census Bureau.
- (3) Louisiana Department of Labor
- (4) St. Tammany Parish School Board
- (5) American Community Survey, U.S. Census Bureau

**CITY OF SLIDELL, LOUISIANA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND TEN YEARS AGO  
(UNAUDITED)**

**TABLE 16**

Employer	Location	2008			1998		
		Employees	Rank	% of Total St. Tammany Parish Employment	Employees	Rank	% of Total St. Tammany Parish Employment
St. Tammany Parish School Board	Slidell/Covington	7,757	1	6.61%	4,205	1	4.69%
St. Tammany Parish Hospital	Covington	1,714	2	1.46%	799	3	0.89%
Wal-Mart	Parish wide	1,125	3	0.96%			
Slidell Memorial Hospital	Slidell	1,100	4	0.94%	937	2	1.04%
Lakeview Regional Medical Center	Covington	745	5	0.63%	567	4	0.63%
St. Tammany Parish Sheriff's Office	Parish wide	704	6	0.60%	540	6	0.60%
Northshore Regional Medical Center	Slidell	660	7	0.56%	502	7	0.56%
Southeast Louisiana Hospital	Mandeville	532	8	0.45%	550	5	0.61%
Home Depot	Parish wide	500	9	0.43%			
St. Tammany Parish Government	Parish wide	470	10	0.40%	297	10	0.33%
City of Slidell	Slidell				328	8	0.37%
Goux Enterprises/Goux Health Care	Slidell				300	9	0.33%
<b>TOTAL</b>		<b>15,307</b>		<b>13.04%</b>	<b>9,025</b>		<b>10.05%</b>

NOTE: Information is only available for St. Tammany Parish, in which the City of Slidell is located.

Sources: 2008 information: Book of Lists 2008-2009, New Orleans City Business and St. Tammany Economic Development Foundation.

1998 information: Book of Lists 1998-1999, New Orleans City Business.

**CITY OF SLIDELL, LOUISIANA**  
**FULL - TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

**TABLE 17**

Full-time equivalent Employees as of June 30, 2008										
Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Administrative	7	7	7	7	7	6	6	6	6.5	6.5
Finance (1)	21	21	21	22	22	22	22	22	22	22
Legal	2	2	2	2	2	2	2	2	2	2
Animal Control	8	8	8	8	8	8	8	8	8	8
Civil Service	4	3	4	4	4	4	4	4	4	4
Legislative	12	12	12	12	12	12	12	12	12	12
Regional Training Facility	3	3	3	3	3	3	3	3	3	3
Public Safety										
Police										
Officers	77	77	77	78	82	82	84	82	86	85
Civilians	25	26	27	26	26	26	24	26	26	27
Public Works										
Public Operations (2)	55.5	55.5	57.5	52.5	67.5	72.5	71.5	71.5	73.5	74.5
Permits	8	8	8	8	8	8	8	9	11	11
Planning	4	4	4	4	4	4	4	4	4	5
Engineering	6	6	7	7	8	8	8	8	8	9
Public Utility (3)	56.5	60.5	58.5	63.5	63.5	63.5	64.5	64.5	64.5	64.5
Judicial System (4)	4	4	4	4	4	4	4	4	4	4
Recreation and Culture	27	27	27	35	22	18	18	18	18.5	17.5
Airport	2	2	2	2	1	2	3	3	3	3
Total	<u>322</u>	<u>326</u>	<u>329</u>	<u>338</u>	<u>344</u>	<u>345</u>	<u>346</u>	<u>347</u>	<u>356</u>	<u>358</u>

Note: Includes Elected, Unclassified, and Classified full time employees.

1999-2007 figures represent actual number of employees, 2008 figures represent budgeted positions by department.

(1) Includes Finance Administration, Data Processing, Purchasing and Risk Management.

(2) Includes Sales Tax Administration, Vehicle Maintenance, Streets, Bridges, Drainage, General maintenance & Electrical.

(3) Includes Public Utility Administration, Wastewater Treatment Plant, Wastewater Collection & Water maintenance.

(4) Includes City Court, City Marshall and City Prosecutor.

**CITY OF SLIDELL, LOUISIANA  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

**TABLE 18**

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Police</b>										
Total arrests	4,012	3,916	3,099	2,946	3,238	3,545	3,918	2,965	3,297	3,780
Parking tickets	195	360	463	317	294	145	168	77	75	311
Traffic violations (1)	4,148	4,746	3,572	3,901	3,460	4,783	3,931	3,433	3,555	5,258
<b>Public Works</b>										
Potholes repaired	279	270	400	551	680	320	50	100	550	577
<b>Public Utility</b>										
<b>Water</b>										
Number of accounts	9,398	9,494	9,674	9,897	9,960	9,990	9,990	9,746	10,175	10,404
New meter connections	127	*	*	*	*	80	174	131	195	168
Old meter change out	400	*	*	*	*	758	758	307	388	189
Daily average consumption (MGD)	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
<b>Wastewater</b>										
Number of accounts	9,255	9,332	9,512	9,733	9,839	9,830	9,830	9,334	10,036	10,202
Average daily treated wastewater (MGD)	4.03	3.69	4.42	4.20	4.60	4.60	4.60	4.60	4.15	3.94
<b>Building Permits</b>										
New residential	140	113	139	203	162	67	67	86	202	136
Residential additions	154	124	158	151	278	150	150	2,149	721	262
New commercial	31	20	14	33	67	49	49	25	70	34
Commercial additions	118	123	123	100	107	131	131	232	146	114
<b>Recreation and Culture</b>										
Number of teams in softball league	*	*	*	*	*	60	81	26	86	70
Number of children on summer camp	*	*	*	*	*	274	301	154	175	174
Park Pavilions Rentals	*	*	*	*	*	205	191	107	154	151
<b>Airport</b>										
Number of land leases	*	*	*	*	*	10	10	10	9	9
Number of tie downs	*	*	*	*	*	32	32	32	26	26
Number of hanger leases	*	*	*	*	*	2	1	1	3	3

Note: Indicators are not available for the general government function

\* Information not available

(1) Traffic violations do not include parking tickets

Sources: Various government departments

**CITY OF SLIDELL, LOUISIANA**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

**TABLE 19**

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Public safety</b>										
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Training Academy	1	1	1	1	1	1	1	1	1	1
<b>Public Works</b>										
Paved streets (miles)	118.5	119.5	119.5	120.4	121.3	122.6	122.6	144	144	146.53
Unimproved streets (miles)	1.3	1.3	1.3	1.3	1.3	1.9	1.9	8	8	8
Streetlights	2561	2587	2645	2755	2724	2738	2738	2844	2853	2907
Traffic signals	56	56	57	59	60	57	57	58	59	59
<b>Public Utility</b>										
Water										
Water mains (miles)	152	152	152	153.2	154.88	156.48	156.48	156.48	156.48	166.5
Maximum capacity of water storage tanks (gallons)	2,133,000	2,133,000	2,133,000	2,133,000	2,150,000	2,150,000	2,150,000	2,150,000	2,150,000	2,150,000
Number of water storage tanks	5.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0
Productive capacity (MGD)	17.0	17.0	17.0	17.0	10.9	10.9	10.9	10.9	10.9	5.8
Sewer										
Sanitary sewers (miles)	100	100	100	101.21	105.46	106.9	106.9	106.9	106.9	162
Plant capacity (MGD)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
<b>Recreation and Culture</b>										
Parks acreage	369	369	369	400.24	420.24	420.24	420.24	420.24	420.24	420.24
Number of playgrounds	18	18	18	20	21	22	22	22	22	22
Number of picnic areas	6	6	6	12	17	18	18	18	18	18
Number of gyms	1	1	1	1	2	2	2	2	2	2
<b>Airport</b>										
Feet of Runway	4,000	4,000	4,000	4,000	4,000	4,000	4,000	5,000	5,000	5,002
Feet of Taxiway	4,000	4,000	4,000	4,000	4,000	4,000	4,000	5000	5,000	5,002
Feet of Auburn Taxiway	-	-	-	-	-	800	800	800	800	800
Number of T-Hangers	-	-	-	-	-	16	16	16	16	16
Feet of T-Hangers	-	-	-	-	-	1,400	1,400	1,400	1,400	1,386

NOTE: No capital asset indicators are available for the general government function.

Sources: Various city departments.

# REBOWE & COMPANY

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CONSULTANTS

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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and Members of the City Council  
**City of Slidell, Louisiana**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Slidell, Louisiana (the "City") as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 24, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the City's management, the Legislative Auditor of the State of Louisiana, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Rebowe & Company*

October 24, 2008

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Mayor and Members of the City Council  
**City of Slidell, Louisiana**

### Compliance

We have audited the compliance of the City of Slidell, Louisiana (the "City") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Slidell, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

### Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants

applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City of Slidell's management, the Legislative Auditor of the State of Louisiana, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Reboue & Company*

October 24, 2008

**CITY OF SLIDELL, LOUISIANA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2008**

DESCRIPTION	CFDA NUMBER	GRANT NUMBER	TOTAL GRANT AWARD	FEDERAL AND OTHER EXPENDITURES
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Direct:				
Community Planning and Development Division				
Community Development Block Grant				
Entitlement Grant	14.218	B-05-MC-22-0010	\$ 25,500	\$ 749
Entitlement Grant	14.218	B-06-MC-22-0010	204,652	198,392
Pass through the State of Louisiana:				
Office of Community Service				
Emergency Shelter Grant	14.231	636084	30,750	29,499
Emergency Shelter Grant	14.231	650101	30,750	5,655
<b>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				<u><u>\$ 234,295</u></u>
<b>DEPARTMENT OF JUSTICE</b>				
Direct:				
Bureau of Justice Assistance				
Evidence Room Equipment	16.738	2007-DJ-BX-0892	19,786	\$ 9,451
Bulletproof Vest Partnership Grant	16.607	-	50,492	5,964
Criminal Records/ AFIS Integration	16.738	2005-DJ-BX-0229	50,739	504
Asset Forfeiture and Money Laundering Section				
Asset Forfeiture	-	96-2450-J11	-	22,438
Pass through the State of Louisiana:				
Bureau of Justice Assistance				
LCLE Criminal Justice Police Infrastructure	16.738	Y06-8-029	1,270,000	736,673
<b>TOTAL DEPARTMENT OF JUSTICE</b>				<u><u>\$ 775,030</u></u>
<b>DEPARTMENT OF TRANSPORTATION</b>				
Pass through the State of Louisiana:				
Louisiana Department of Transportation and Development				
DOTD Hurricane Damage Repair	20.106	3-22-2200-004-2006	866,733	\$ 230,856
DOTD Variable Message Boards	-	737-52-0006	42,000	32,300
Public Safety Services of the State of Louisiana				
LHSC Slidell PD Year Long	20.600	PT 07-44-01	47,000	26,375
Department of Public Safety and Corrections				
LA Highway Safety Commission	20.600 &			
DWI Enforcement Grant	20.601	PT 2008-47-00-00	57,308	53,130
<b>TOTAL DEPARTMENT OF TRANSPORTATION</b>				<u><u>\$ 342,661</u></u>

**CITY OF SLIDELL, LOUISIANA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**For the Year Ended June 30, 2008**

DESCRIPTION	CFDA NUMBER	GRANT NUMBER	TOTAL GRANT AWARD	FEDERAL AND OTHER EXPENDITURES
<b>ENVIRONMENTAL PROTECTION AGENCY</b>				
Pass through the UNO Research and Technology Foundation				
UNO FY09 Sewer Pump Station Rehab	66.606	EM-96644201	\$ 75,000	\$ 26,250
UNO FY07 Sewer Pump Station Rehab	66.606	EM-96627101-1	72,000	64,500
<b>TOTAL ENVIRONMENTAL PROTECTION AGENCY</b>				<u>\$ 90,750</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>				
Pass through the State of Louisiana:				
Governor's Office of Homeland Security and Emergency Preparedness				
Planning Pilot Grant Program - Hazard Mitigation	97.039	HMGP-1607-103-0002	112,500	\$ 45,380
Acquisition Elevation Project/ Phase IV	97.039	FEMA-1437-DR-LA	5,648,881	121,940
Public Assistance Grant - Katrina 1603	97.036	DR 1603	-	3,594,056
United States Secret Service				
Louisiana Electronic and Financial Crimes Task Force				
Expansion of National Electronic Crimes Task Force	-	-	4,000	959
Electronic Crimes Task Force	-	-	3,000	3,000
<b>TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY</b>				<u>\$ 3,765,335</u>
<b>DEPARTMENT OF AGRICULTURE AND FORESTRY</b>				
Pass through the State of Louisiana:				
Office of Forestry				
2004 Urban & Community Forestry Grant "Slidell's Shades of Green"	10.664	04-29	17,666	\$ 16,113
Hurricane Supplemental Urban & Community Forestry	10.082	HS-18	35,000	32,885
<b>TOTAL DEPARTMENT OF AGRICULTURE AND FORESTRY</b>				<u>\$ 48,998</u>
<b>DEPARTMENT OF THE INTERIOR</b>				
Pass through the State of Louisiana:				
Department of Culture, Recreation and Tourism				
Office of Cultural Development				
Olde Towne Website Design	15.904	07-HP-11	4,000	\$ 3,695
<b>TOTAL DEPARTMENT OF THE INTERIOR</b>				<u>\$ 3,695</u>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>				<u>\$ 5,260,764</u>

**CITY OF SLIDELL, LOUISIANA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**  
**For the Year Ended June 30, 2008**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the City has met the qualifications for the respective grants.

**2. ACCRUED REIMBURSEMENT**

Various reimbursement procedures are used for federal awards received by the City. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year.

**3. PAYMENTS TO SUBRECIPIENTS**

There were no payments to subrecipients for the fiscal year ended June 30, 2008.

**CITY OF SLIDELL, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2008**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Slidell, Louisiana.
2. No significant deficiencies in internal control relating to the audit of the financial statements are reported in the *Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the City of Slidell, Louisiana were reported in the *Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the *Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for the City of Slidell, Louisiana expresses an unqualified opinion.
6. There were no findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. A management letter was issued for the year ended June 30, 2008.
8. The programs tested as major programs are:

**CFDA Number**

Public Assistance Grants – Katrina

97.036

9. The threshold for distinguishing Types A and B programs was \$300,000.
10. City of Slidell, Louisiana was determined to be a low-risk auditee.

**CITY OF SLIDELL, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**For the Year Ended June 30, 2008**

**B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

There were no findings related to the financial statements for the year ended June 30, 2008.

**C. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL  
AWARD PROGRAMS**

There were no findings related to federal awards for the year ended June 30, 2008.

**CITY OF SLIDELL, LOUISIANA**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2008**

**SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

N/A.

**SECTION II - FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR  
FEDERAL AWARD PROGRAMS**

N/A.

**SECTION III - MANAGEMENT LETTER**

N/A.

**CITY OF SLIDELL, LOUISIANA  
CORRECTIVE ACTION PLAN  
For the Year Ended June 30, 2008**

There are no compliance and/or internal control findings as described in the Schedule of Findings and Questioned Costs. Accordingly, no corrective action plan is required as a part of this section.

**CITY OF SLIDELL**  
**MEMORANDUM OF ADVISORY COMMENTS**  
**For the Year Ending June 30, 2008**  
**November 24, 2008**

**Rebowe & Company**  
Certified Public Accountants  
**CONSULTANTS**  
A PROFESSIONAL CORPORATION

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# REBOWE & COMPANY

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November 24, 2008

Members of the City Council  
Slidell, Louisiana

Dear Members:

We have audited the basic financial statements of the City of Slidell ("the City") for the year ended June 30, 2008 and have issued our report thereon dated October 24, 2008. As part of our audit, we considered the City's internal control over financial reporting in order to determine the nature, timing and extent of our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal control and operating efficiency. The memorandum that accompanies this letter summarizes our comments and recommendations regarding these matters.

We will review the status of our findings and recommendations during our next audit engagement. We have already discussed our recommendations with management and have included their corrective action plan. We will be pleased to discuss these recommendations with you in further detail at your convenience, perform any additional study of these matters, or assist you in implementing our recommendations.

Sincerely,

*Rebowe & Company*

**CITY OF SLIDELL  
OBSERVATIONS, RECOMMENDATIONS, AND  
CORRECTIVE ACTION PLAN  
JUNE 30, 2008**

**Payroll Policies and Procedures**

Observation:

1. We noted a discrepancy between Policy Numbers 207 (Hours of Work) and 305 (Pay Procedures) of the City's Personnel Manual. The difference is noted regarding whether pre-approved vacation time counts towards the 40 hour work week before being paid for overtime hours. Policy Number 207, Comment (3) states, in part, that "...For the purpose of overtime compensation, only hours actually worked in excess of forty (40) during a workweek will be counted. Vacation leave and sick leave do not count toward the forty (40) hours of actual work. Holiday, birthday, bereavement, and jury duty leaves count toward the forty (40) hours of actual work." (emphasis added.) Policy Number 305, Comment (4) states, in part, that "...Sick leave and unauthorized vacation leave are not considered hours worked. Holidays, birthdays, authorized preapproved vacation leave, funeral leave, and jury duty are considered hours worked for calculating overtime pay." (emphasis added.) These policies are inconsistent.
2. During our review of payroll time sheets, we noted several instances for the Police Department's Computer System Administrator where vacation time and total time worked exceeded the length of the work-day as described in Policy Number 207 of the City's Personnel Manual. In other words, the employee received vacation pay on days actually worked, in addition to their regular pay. Policy Number 502, Comment (13) of the City's Personnel Manual specifically states that "Employees may not receive vacation pay in lieu of time off." By receiving vacation pay on days actually worked, instead of taking the time off, the employee violated Policy Number 502. Additionally, the vacation pay was effectively paid at an overtime rate of pay, since each hour of vacation time used moved an hour of actual work time from regular pay to overtime pay. We noted that this employee was paid for 135 hours of vacation on days on which they actually worked, during the period from March 1, 2008 through the end of the fiscal year on June 30, 2008. During this period, approximately \$5,700 was paid to this employee for vacation taken while working and for amounts over the regular pay rate for overtime that would not have been considered overtime had the vacation time not been taken. Our review only included the fiscal year ended June 30, 2008, but it appears that this practice may have continued into the current fiscal year.

**CITY OF SLIDELL  
OBSERVATIONS, RECOMMENDATIONS, AND  
CORRECTIVE ACTION PLAN (CONTINUED)  
JUNE 30, 2008**

Recommendation:

1. We recommend that the City amend these policies so that they are consistent with each other.
2. We recommend that the City adhere to and enforce current policy and procedures for all employees. Alternatively, we recommend that the City amend its policies to reflect management's need for flexibility in those rare cases when unusual and unexpected circumstances arise.

Corrective Action Plan:

1. The City is in the process of amending Policy Numbers 207 and 305 of the City's Personnel Manual so that they are consistent with each other.
2. The City will review current policies and procedures and make the necessary amendments to those policies and procedures to ensure the uniform enforcement of payroll policies.